# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Orange anger at Rees pledge

A big protest was building up in Ulster yesterday after Northern Ireland Secretary Mr. Merlyn Rees told MPs that the Government hopes to release all detainees by Christmas. Unionist Party leader Mr. Harry West accused Mr. Rees of "reinforcing the ranks of the IRA."

Mr. Glen Barr of the Ulster Loyalist Co-ordinating Committee accused Mr. Rees of having made a deal with the Provos. Mr. Seamus Loughran, Northern organiser of Provisional Sinn Fein, accused the Northern Ireland Secretary of using the detainees as political hostages.

In the Commons, Mr. Rees said he had hoped that "the situation will progress sufficiently to enable all detainees to be out by Christmas." For the Opposition, Mr. Airey Neave, MP, questioned whether the release of more than "200 experienced terrorists" was justified. Page 11

### Rab defends Cabinet rules

Ministers who used Cabinet papers for writing their life stories were criticised by Tory elder statesman Lord Butler yesterday in the High Court case over publication of the Crossman Diaries. Appearing on behalf of the publishers were Mr. Jo Grimond MP, the former Liberal Party Leader, and Sir Anthony Nutting, a former Tory Minister.

Cabinet Secretary Sir John Hunt explained why Mr. Wilson, the Prime Minister, had described Cabinet discussions in his own memoirs. Page 8.

### Last splash-down

The three-man U.S. Apollo spacecraft splashed down in the Pacific 290 miles west of Honolulu after its historic link-up with the Soviet Soyuz vehicle. Future American space flights, like the Russians, are expected to be recovered on land and not sea.

### Arms ban stays

The House of Representatives defeated a Bill to lift the ban on U.S. arms shipments to Turkey imposed in February because of the invasion of Cyprus. President Ford and Secretary of State Dr. Henry Kissinger had lobbied strenuously for the Bill. The result was wildly cheered by Greek sympathisers in the House's gallery.

### MP's tough task

Overseas Aid Minister Mr. Reg Prentice may not know until November the outcome of his attempt to reverse the decision of his Newham NE constituency to replace him at the next election. He now faces an uphill task to save his political career. Richard Evans writes. Page 11

### Ending Seato

The Philippines and Thailand agreed to phase out the South East Asia Treaty Organisation (SEATO) whose headquarters are in Bangkok. Page 6

### Briefly . . .

The Government has decided that, because of pressure of business, Parliament will have to sit for nearly a month in the autumn "spill-over period" of the present session. Leader of the House of Commons Mr. Edward Short said the recess will start August 8. Back Page

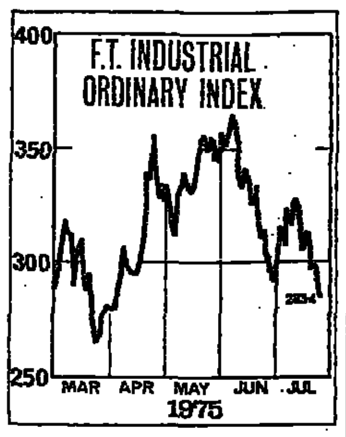
Egypt and Israel criticised Security Council resolution giving the mandate of the UN peace-force in Sinai for three months. Mid East News Page 5.

Men who catch diarrhoea on holiday overseas are warned by an article in the British Medical Journal that their contraceptive pill ... become pregnant.

### BUSINESS

## Equities down 5; Falls in property

● EQUITIES remained nervous, but the FT 30-share index closed above the day's worst at 283.4—a loss of 5.1. Property




shares were hit by news of Land Securities' fund-raising plan, the index for the sector falling 7.1 per cent. to 145.53.

● GILTS had a mixed day. Shorts, undermined by interest rate fears, finished with losses of up to ½, but mediums and longs ended up to ¼ higher.

● GOLD rose 95c to $165.25.

● STERLING rose 5 points to $2.1860. Its weighted depreciation was 25.8 per cent. (25.9); the dollar's remained at 3.52.

● WALL STREET closed 3.60 higher at 840.27, after being down 4.5.

● FRANCE is having talks with Saudi Arabia to secure a seven- to ten-year credit of up to Frs.8bn. (£857m.). Page 7

## Soviet harvest '25m. tons short'

● SOVIET UNION'S grain harvest this year could be 25m. tons below target, according to revised U.S. Agriculture Department estimates. The U.S. says it could sell up to 15m. tons of grain to Russia without any ill-effects to American supplies. Back Page

● BRITISH RAIL is seeking to raise freight charges again—from October—but the Government will meet most of the expected £70m. deficit on these services this year. The Coal Board, however, reporting a turnround from a £112m. loss to a £34m. profit, does not expect to have to raise prices before the end of this year. British Steel, faced with substantial losses, is expected to take a tough line with the unions over its cost-cutting programme. Back and Page 8

● OBSERVER management meets to-night to discuss the future of the newspaper after the print union's refusal to accept 30 per cent. redundancies. Page 14

● EEC COMMISSION called on all member States except the U.K. and Ireland to take co-ordinated, reflationary measures Page 7

● HOFFMAN LA ROCHE is being asked by the European Commission to defend itself against EEC charges of monopoly practices in the vitamins market. Page 20

### COMPANIES

● MAPLE MACOWARDS reports a net loss of £7.6m. for the year to February 1 against a previous profit of £246,000. Page 19 and Lex

● INCHCAPE profits for the year to March 31 were down £2m. at £28m. Page 19 and Lex

● OZALID Group Holdings' understatement, in its accounts, of directors' pay for 1970-73 was due to a failure in administrative procedures, the chairman told shareholders. Page 18

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES | | |
|---|---|---|
| ...iding 5½pc '82-84 | £74½ | + ½ |
| ...sons Intl. Systems | 175 | + 15 |
| ...ett Bros. | 155 | + 7 |
| ...neware | 170 | + 10 |
| ...kelbank | 980 | + 20 |

| FALLS | | |
|---|---|---|
| ...asury 9¼pc 1980 | £93½ | − ½ |
| ...west | 109 | − 5 |
| ...derson Strathclyde | 103 | − 7 |
| ...keley Hambro | 110 | − 12 |
| ...TS | 289 | − 6 |
| ...venbam | 116 | − 4 |
| ...stain (R.) | 156 | − 6 |
| ...lgety | 192 | − 6 |
| ...glish Prop. | 46½ | − 5½ |
| ...llay (James) | 130 | − 8 |
| ...P Group | 80 | − 6 |
| Portland Estates | 180 | − 14 |
| Hanson Trust | 82xr | − 8 |
| Hargreaves | 25 | − 6 |
| Ibstock Johnsen | 58 | − 6 |
| Land Secs. | 148 | − 13 |
| Lloyds Bank | 183 | − 4 |
| MEPC | 88 | − 6 |
| McCorquodale | 164 | − 4 |
| Pearl Assurance | 186 | − 8 |
| Rank Org. "A" | 126 | − 7 |
| Reckitt and Colman | 290 | − 10 |
| Royal Ins. | 262 | − 6 |
| Simon Eng. | 91 | − 4 |
| Tate and Lyle | 186 | − 4 |
| Unilever | 328 | − 18 |
| Utd. Real Prop. | 170 | − 25 |
| Shell Transport | 294 | − 5 |
| Anglo-Vaal | £14½ | − 1 |
| Bishopsgate Plat. | 104 | − 4 |
| Bougainville | 88 | − 4 |
| East Rand Prop. | 960 | − 15 |
| Northgate Explor. | 285 | − 10 |
| Pancontinental | 480 | − 20 |
| Union Crpn. | 500 | − 10 |

# Unemployment passes 1m. mark

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

UNEMPLOYMENT in the U.K. is now above 1m. for the first time since 1940.

Announcing an unprecedented jump in the number of people thrown out of work this month, Mr. Michael Foot, Secretary for Employment, said yesterday there was no point in attempting to minimise the seriousness of the situation.

Mr. Foot went on to give the blunt warning: "Until the Government's counter-inflationary measures and other Government measures begin to take effect and the world economic situation begins to improve, the jobless total will continue to rise."

Between mid-June and mid-July the number of people registered as unemployed in the U.K. soared by 218,041 to 1,087,869. The proportion of the total labour force now unemployed rose by a full percentage point, to 4.7 per cent.

The figure has been inflated by the arrival of 94,000 adult students on the register, and a further 42,000 school-leavers.

But even though the presence of the students distorts the figures—many register during vacations in order to qualify for supplementary benefits—the trend shown by the seasonally adjusted figure of wholly unemployed is equally alarming.

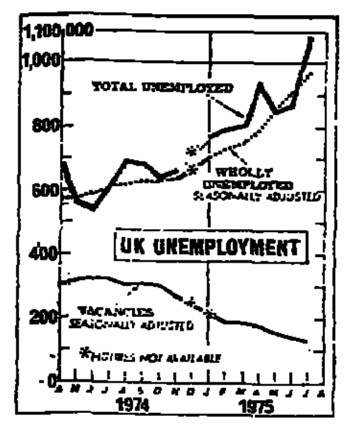
The rise in seasonally-adjusted unemployment this month — by 75,100 to 976,500 (or 4.2 per cent.) is easily the biggest on record since the 1930s.

Mr. Healey, the Chancellor, had warned in his Budget speech that unemployment was expected to reach 1m. at some stage this year, and earlier this week the Paris-based Organisation for Economic Co-operation and Development forecast that unemployment would rise to 1½m. by the middle of next year.

The rapidly deteriorating employment picture is a reflection not only of the U.K.'s move into recession—which recent output figures show to be deeper than had been calculated at the time of the Budget—but also of the way in which the wages scramble has exacerbated the unemployment trend in the private sector of the economy.

Ministers have for some time now been warning that workers were pricing themselves—or others—out of jobs. The official unemployment figures are confirmation that this is happening at an accelerating rate.

Faced with this rapidly deteriorating situation, the Government is powerless to take traditional reflationary measures until it can be demonstrated that




inflation is firmly under control. Mr. Foot had to admit yesterday that the various measures to assist retraining and alleviate unemployment via the proposed temporary employment subsidy can have only a minor mitigating influence on the overall unemployment total.

Mr. Foot made much of the point that the unemployment figures underlined the need for the Government's new incomes policy measures. "The reason the TUC general council has been able to support the Government's proposals so strongly is that it realises how closely the inflation and unemployment problem are linked," he said.

On the other hand, Mr. Foot conceded that the unemployment trend was adding to the pressure from the TUC for expansionary measures.

The Government has attempted to take some of the shock out of the unemployment figures by choosing this month for the publication of a new table showing that the number of people under 60 who have been out of work for longer than four weeks is less daunting than the overall total, at 630,000.

At the present rate of increase, however, even this figure will look alarmingly high before very long.

While not in any way underestimating the seriousness of the present unemployment trend, one can put it into some perspective by noting that to a considerable extent the U.K. is now merely catching up on other countries, where unemployment was allowed to rise earlier during the current world recession.

The figures are not strictly comparable, but the U.K. unemployment percentage of 4.7 per cent. can be contrasted with 9.1 per cent. in the U.S., 5.6 per cent. in Italy, 4.4 per cent. in Germany and 4.3 per cent. in France. In some of these countries, at least, it is now thought that the worst is nearly over.

But the U.K.'s inflation problem is significantly worse than that which other countries have been fighting, and to that extent the implications for the employment outlook are more serious. Indeed, the Confederation of British Industry rushed out a statement yesterday claiming that pay settlements "may in many cases have to be below the £6 limit if we are to keep people in their jobs."

If there is one crumb of comfort that can be drawn from the latest unemployment figures, it is that the sheer speed of the increase could be partly the result of a once for all adjustment.

A lot of companies were postponing decisions about redundancies earlier this year. In May there were an estimated 250,000 operatives on short-time working, and this figure has come down sharply in the past two months, to 145,000 in mid-July.

This effect may have exaggerated the speed of the rise. But it is only of small comfort. Mr. Healey has already claimed that the prospect was for unemployment of between 2m. and 3m. in the absence of the incomes policy measures. Even if they achieved everything hoped of them, the prospect remains one of a further sustained rise in unemployment for some months to come.

John Wyles writes: Reaction from individual union leaders was concerned but on the whole muted. Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, however, launched a bitter attack on the Treasury which, he claimed, had been aiming for 2m unemployed since 1945.

Mr. David Basnett, general secretary of the General and Municipal Workers' Union, said that following the recent "unprecedented understanding" between the TUC and the Government, the unions were now looking for action on both jobs and prices.

Meanwhile, Mr. Jack Jones, general secretary of the Transport and General Workers' Union, warned in a speech yesterday that any further cutback in foreign loans or investment in this country must be prevented or otherwise "unemployment will become Britain's incomes policy."

Editorial comment, Page 16
Parliament, Page 11
Jones call, Page 14

## Price rises ease, but more due—Commission

BY ELINOR GOODMAN

EVIDENCE of a temporary easing in inflationary pressures came yesterday from the Price Commission in its quarterly report.

Reporting a marked reduction in the rate of price increases notified in the three months to the end of May, the Commission said that these should be reflected in the next few months in a slowing down in the rate of price increases in the shops.

The good news was however tempered by a warning that such a reduction could be only a "breathing space" before the recent round of high wage settlements took their toll on shop prices and led to another upsurge in the Retail Price Index.

"We are still a long way from being out of the wood," Sir Arthur Cockfield, chairman of the Price Commission, said yesterday. "We shall have to face a period this winter when the full impact of the large increases in wages and salaries works its way through to final prices."

With commodity prices no longer falling, and profits squeezed to the point where companies could not be expected to absorb any more costs, there was no longer any scope for offsetting the impact of wage settlements, he emphasised.

The report, which was published yesterday but sent to the Government on the eve of the Chancellor's statement on the new incomes policy, implies strong support for the timing of the Government's actions.

The "breathing space," it says can either be squandered or exploited to good advantage. "If we do use the breathing space to good advantage and if the rate of increase in labour costs is reduced—and reduced sharply—the rate of inflation will be reduced also.

"If this reduction in the rate of inflation is followed by a still further reduction in the rate of pay settlements, price increases will be reduced still further."

Now that commodity prices are stable, the report goes on, "the responsibility for inflation rests entirely upon our own shoulders. So too does the responsibility for the rising level of unemployment which is a reflection of inflation. The tide can be turned, but time is short."

Presenting the report yesterday, Sir Arthur said that the Government's initiative had come at the "most favourable moment and at a time when the prospects of success are best."

The report shows that profit margins for Britain's biggest companies improved slightly in the three months to the end of May, and that more companies are now using the investment provisions of the Code introduced in Stage Four. On average margins were standing at 51.2 per cent. of their reference levels as against 50.3 per cent. in the final quarter of last year, suggesting that more companies are now using the safeguard provisions in the price code.

As expected, however, the Commission's figures show a big drop in the profitability of the food industry with food and drink companies reaching on average only 33.6 per cent. of their maximum permitted profit margin levels. Retailers' net margins also suffered a big fall in the post-Christmas period though gross margins were maintained.

The report lays great emphasis on the contribution of nationalised industries to inflation. Looked at over the last six months, the Commission says that nationalised industries accounted for almost a third of all price rises. While the average price rise in the private sector was just under 8 per cent., the average increase from nationalised industries was 16 per cent.

The Commission rejects the argument that the size of the price increase made by the nationalised sector in recent months is to any great extent a reflection of their prices having been held down in comparison with private sector prices in the earlier stage of the control.

While in the first year of price control nationalised industry prices were lagging a little behind private sector prices, this was more than made up in the second year, the report says in a passage which will no doubt annoy the heads of some nationalised industries who would prefer to use a longer time scale for the purpose of comparison.

Lull before storm, Page 8.

## Peers' rise annoys MPs

By John Bourne, Lobby Editor

LABOUR MPs who criticised the Government for raising MPs' salaries by £1,250—"a bad example to the nation when the Government is laying down a £6-a-week limit for everyone else"—were further incensed yesterday when the Government announced that the limit of daily attendance allowance for peers should be raised from £11.50 to £13.50 with effect from June 13.

Lord Shepherd, Leader of the Lords, said: "I will move a motion giving effect to this increase on Tuesday, together with resolutions on increases in car mileage allowance and the London supplement payable to Ministers in the Lords."

Lord Aberdare, Deputy Leader of the Opposition, welcomed the announcement, saying that "the country got very good value" from the peers for the amount of work they did. "I know a number of peers have been out of pocket attending the House."

Baroness Gaitskell (Lab) said some peers could not afford to give their service free.

### £ in New York

| — | July 25 | Previous |
|---|---|---|
| Spot | $2.1755-1795 | $2.1790-1800 |
| 1 month | 0.75-0.65 dis | 0.65-0.65 dis |
| 3 months | 2.09-2.04 dis | 2.30-2.25 dis |
| 12 months | 7.95-7.25 dis | 5.64-5.65 dis |

## Employment subsidy plans next week

BY JOHN ELLIOTT, LABOUR EDITOR

THE GOVERNMENT plans to announce next week its proposals for a Temporary Employment Subsidy which it is thought might be available to companies in special areas planning to make 50 or more workers redundant.

This scheme, first proposed by the Chancellor earlier this year, is regarded by the TUC as a prime Government contribution to Labour's social contract.

The aim of the subsidy would be to enable companies to defer redundancies while awaiting an improvement in their business prospects or while retraining and redeploying their workers.

The subsidy will be implemented under the Employment Protection Bill now entering its final Parliamentary stages, although Ministers hope to find administrative means of starting to pay the subsidy before the Bill receives its Royal Assent, which is not due until October.

Under the scheme the Government would pay £10 a week to an employer for every prospective redundant employee he kept at work, once he had satisfied the Department of Employment that his business was basically viable and that those kept at work could be employed profitably within a number of months.

The criteria which a company would have to satisfy on financial viability have to be finalised but might involve the company being required to produce an accountant's certificate on its prospects.

Under proposals announced in the Commons last week by the Government, the scheme would be available only for groups of workers of 100 or more in companies operating in development and special development areas. But yesterday Mr. Michael Foot, Employ Secretary, announced in the Commons that there was a "strong case" for extending these plans.

Following pressure from TUC leaders the Government is now thought to be actively considering reducing the minimum size of the group to 50 or more workers, and applying the scheme in "intermediate areas" and maybe to special cases elsewhere as well as the development areas.

Plans to make the payments for a basic period of only three months are also being reviewed and the period may well be longer. In any case, the subsidy could under existing proposals be renewed for a further three months.

## Land Securities £21m. issue

BY JOHN TRAFFORD, PROPERTY EDITOR

LAND Securities Investment Trust, Britain's largest property company, is to raise £21m. through the issue of a 10 per cent. convertible loan stock to Ordinary shareholders and holders of the company's existing convertible stocks.

The news took the City and the property world completely by surprise. Leading property shares were marked down sharply on fears that the group had hit financing problems which might be shared by other property leaders. Land Securities' shares fell 13p to 148p while MEPC shed 8p to 86p and United Real Property 25p to 170p.

Underlying the fall was bewilderment at the apparent reversal of the company's financing and borrowing policy. Three weeks ago the chairman, Lord Samuel of Wych Cross, stated in the annual report that the company had continued during the year to buy back part of the outstanding 5¼ per cent. convertible loan stock until £25m. in all had been spent. The issue of the new loan stock bearing a 10 per cent. coupon so soon after this statement is thus an understandable cause of confusion.

A spokesman for Land Securities last night explained that buying in the convertible had only taken place in the early months of the company's last financial year and that the new £21m. issue was needed to reduce the company's short term borrowings—there is a £25m. bank loan due for repayment in November, 1978.

Another of the City's fears—that Land Securities is having difficulty with its programme of property disposals and that the market for good investment properties is weakening — is somewhat allayed by a statement put out yesterday by the company. This points out that the programme to dispose of £80m. of property now being undertaken and mentioned in the annual report, is going ahead.

Contracts have been exchanged or sales completed on £47m. of property since March 31 and a further £33m. remain subject to contract.

The money is being used to finance the group's current development programme, which stood at £61m. of capital commitments on March 31. The spokesman emphasised that the decision to raise £21m. did not indicate any difficulty in completing the disposals programme. Land Securities, however, saw no problems in undertaking further disposals if the need arose.

The new issue comprises £21,092,870 of 10 per cent. convertible unsecured loan stock 1990/1995 at par payable £40 on acceptance by August 22 and £60 per cent. by November 14. It is being offered to ordinary shareholders and holders of the 5¼ per cent. 1983, and 6¼ per cent. 1985 convertible loan stocks in the proportion of £9 of stock for every 100 ordinary shares held or available on conversion. J. Henry Schroder Wagg organised the underwriting. Brokers to the issue are Rowe and Pitman, Hurst-Brown and Cazenove and Company.

### FEATURES



### FT SURVEY



### ON OTHER PAGES



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LOMBARD

# Politics and investment

BY C. GORDON TETHER

The elbowing out of the messianic Mr. Wedgwood Benn from the Department of Industry has clearly had a dampening effect on the controversy sparked off by the Government's plan to use the National Enterprise Board to spearhead Britain's reindustrialisation. But the problem itself has not, of course, in any sense diminished.

So the important thing now is to turn the cooling of political tempers to account for the purpose of getting the argument about how it is to be tackled focused on the real task—which is to determine what our reindustrialisation objectives are and decide what mix of private enterprise and public sector effort will be most likely to achieve them.

Where the main responsibility lies for the fact that the flow of investment into British industry has remained so inadequate continues to be hotly debated—with the City parrying Labour claims that it has fallen down on the job with the contention that it was impossible for it to do more when governmental policies were creating such an uncongenial investment climate.

## Valuable

However, the latest eruption of this long-running row has had the effect of pressurising the financial institutions to start doing some hard thinking about what they can do to strengthen their links with industry. And that is an extremely valuable gain. For, as the willingness of some of its stalwarts to testify for the other side has demonstrated, it is in the City's own interest, as well as in that of the nation, that it should carry through a top-to-bottom re-examination of its attitude to the domestic investment.

It is clearly right that any proposals the financial institutions eventually put forward for reinforcing the flow of investment funds into the promotion of industry are examined on their merits. And one hopes that they will strike a more realistic note in relation to such questions as how pension fund money is to be mobilised for this purpose than has been evident in some recent City attempts to justify the policies it has pursued up till now.

But if it is important that the City should be listened to, it is no less important that the ideas of the Left-wing elements in the Labour Party should not be dismissed out of hand just because they are Left-wing. And there has been an unfortunate tendency of late to give this term "dirty word" status and thereby encourage the belief that everything that comes from that direction should be dismissed out of hand as being unhelpful, if not actually subversive.

Certainly it would seem that the policy document which is being offered as a basis for discussion by the industrial policy sub-committee chaired by Mrs. Judith Hart provides plenty of food for thought. To begin with, now that such a substantial part of the nation's savings tends to finish up in banks, insurance companies and pension funds, the emphasis it places on introducing new mechanisms to ensure that such money fully participates in the vital work of stemming the country's industrial run-down can hardly be faulted.

What ought to be at issue is not whether money of this kind should be mobilised for such work but how this can be done without jeopardising the interests of the owners of such funds.

The document's proposals for wider participation by the State in the ownership of industry are politically more abrasive. But it is certainly arguable on economic grounds that, if there is a case for a National Enterprise Board at all, there is also a case for not compelling it to restrict its activities to the resuscitation of the private sector's lame ducks.

## Take-overs

The document's contention that, to serve the nation best, the Enterprise Board will need to take over a leading company in each sector, is something which, it is to be hoped, will also be examined on its economic and financial merits. The Labour Party's hot gospellers see this as being needed primarily to ensure that the Board will remain viable enough to fulfil its task of providing new jobs and new investments. But it is not difficult to see that there are other ways in which such an arrangement could serve the public interest and militate against it.

The moral of the British economic story for the past 10 to 20 years is that we are all doomed unless we get the industrial investment issue sorted out. It is now the duty of all concerned to sink their political differences to whatever extent is necessary to permit a concerted effort to evolve arrangements that will meet the challenge in the most effective manner.

RACING BY DOMINIC WIGAN

# Galway Bay for Hyperion

GALWAY BAY, who followed up a 2½ lengths Sandown victory over Thieving Demon by outpacing Super Cavalier in the Coventry Stakes at Royal Ascot five weeks ago, returns to the Berkshire course for to-day's Hyperion Stakes. I shall be more than surprised if he is beaten.

The Kingsclere colt, a bay son of the Arc de Triomphe winner Sassafras, could hardly have been more impressive at the Royal meeting.

Racing easily behind Rehearsal and Tampa in the early stages, he was ridden with complete confidence by Lester Piggott, who is again in the saddle to-day.

Galway Bay made rapid headway to challenge a furlong from home and, once in the lead, had to be kept going only with hands and heels to pass the post two lengths clear of yesterday's comfortable National Stakes winner.

With only Anemos, Blue Cavalier and Major John in opposition, Ian Balding's colt appears to have an easier task than in the Coventry Stakes and it will come as a major surprise if he fails to retain his unbeaten record.

Anemos, who has not been extended to land minor prizes at Nottingham (twice) and Chester within the last few weeks, is still improving, and must be the choice for the forecast.

An hour before the Hyperion Stakes some tremendously well-bred colts make their debut in the Granville Stakes for newcomers, won a year ago by the 5-1 shot Grundy.

Here, Peter Walwyn relies on Apres Demain, a chestnut colt by King Emperor out of Domani, a half-sister to Matatina and Showdown.

Although a market move for the Seven Barrows representative should be noted, I believe backers may do best with Dick Hern's highly-rated *Strabo*, a colt by Tudor Melody out of Bandarilla, who has already produced that top class miler, Sallust.

Two others it could pay racegoers to keep an eye on in the Granville Stakes are Imperial Family and Newgate. The first named is a half-brother by Tudor Melody to Altesse Royale, Imperial Prince, Yaroslav and Royal Saint. Newgate is almost equally well-bred being a full brother to this year's English and Irish Oaks winner, Juliette Marny.

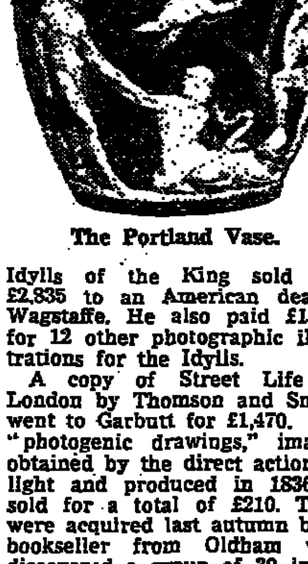
Another likely winner for Piggott (absent in France yesterday while Eddery was consolidating his championship lead at Sandown) is Vincent O'Brien's challenger, Sir Daniel, who goes for the Sunninghill Park Stakes 4.35. This Sir Ivor colt, was not hard pressed to dispose of the smart Trench over a mile and five furlongs at Leopardstown early this month, and he is likely to have too much speed for Noble Game.

**ASCOT**
2.00—Sportsky
2.30—Strabo
3.00—Always Faithful
3.30—Galway Bay**
4.05—Grand Chat
4.35—Sir Daniel***
5.05—Giselle

**AYR**
2.15—Coaster
2.45—Turkey Trot
3.15—Honey Bright
3.45—Kirkby
4.15—Alez Stanwick*
4.45—Araba

SALEROOM BY ANTONY THORNCROFT

# Cameo-glass Portland Vase breaks record


The Portland Vase.

ONE OF THE GREATEST achievements of Victorian craftsmanship, the Northwood-Pargeter cameo-glass copy of the Portland Vase, seems destined for the U.S. It was bought at Sotheby's Belgravia yesterday by a New York collector for £30,000, a world auction record for a piece of glass, beating last week's £19,500 paid at Sotheby's Bond Street saleroom for an 18th Century glass goblet.

It took Philip Pargeter and his cousin John Northwood four years to re-discover successfully the ancient Roman method of making cameo-glass. They completed the blue vase with white overlay at their workshop near Stourbridge in 1876. The whole venture nearly ended in disaster since, while taking the vase to the British Museum to compare it with the original, Northwood's warm hands on a cold morning badly cracked the copy. Still, despite the crack, the vase is regarded as a masterpiece, and reached the top of its forecast price. It also exceeded the prices paid for the perhaps more famous Wedgwood versions of the vase.

Other items from the Pargeter-Northwood cameo glass collection were sold yesterday, all destined for New York. The glassmakers' other major achievement, the 1878 Milton Vase, showing a scene from Paradise Lost, was bought by Mr. Billy Hitt for £26,000, well ahead of the £10,000-£15,000 forecast.

The three other important items from the collection, cameo glass tazzas with relief portraits of Isaac Newton, Flaxman, and Shakespeare, sold for £9,000, £8,500 and £8,500 respectively. The pieces were inherited by Pargeter's great-niece Mary E. Duffy who loaned them to the British Museum in 1959.

There was also an interesting sale of Victorian works at Christie's this time cameras and photographs. A collection of 120 photographs taken between 1875 and 1888 by the Society for Photographing Relics of Old London, was bought by the London dealer Burford for £3,150. A group of 13 photographs taken by Julia Margaret Cameron to illustrate Tennyson's Idylls of the King sold for £2,835 to an American dealer, Wagstaffe. He also paid £1,050 for 12 other photographic illustrations for the Idylls.

A copy of Street Life in London by Thomson and Smith went to Garbutt for £1,470. Six "photogenic drawings," images obtained by the direct action of light and produced in 1836-37, sold for a total of £210. They were acquired last autumn by a bookseller from Oldham who discovered a group of 30 interleaved between old copies of The Times for which he paid less than £1. The others did not sell yesterday.



# TV/Radio

† Indicates programme in black and white

## BBC 1

10.05 a.m. Hectors House. 10.10 Daktari. 1.00 p.m Cynfas 1.30 Along the River. 1.45 News. 2.20 Racing from Ascot. 4.23 Regional News (except London). 4.25 Play School. 4.50 Devlin. 5.10 We Are the Champions 1975. 5.40 Sir Prancelot.

5.45 News.
6.00 Nationwide.
6.50 The Disney Adventure.
8.20 The Other Broadway: Trini Lopez and Pat Henry.
9.00 News.
9.25 The Royal International Horse Show.
10.45 The Detectives.
11.55 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Wales—6.00-6.50 p.m. Wales To-day. 6.50-7.00 Tom and Jerry cartoon. 7.00-7.20 Heddiw. 7.20-7.50 Llanelwedd 75. 7.50-8.20 Question of Sport. †11.55 News.

Scotland—6.00-6.50 p.m. Reporting Scotland. †11.55 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. †11.50 Northern Ireland News Headlines.

England—6.00-6.50 p.m. †Look North (from Leeds, Manchester, Newcastle). †Midlands To-day (from Birmingham). †Look East (from Norwich). Points West (from Bristol). †South To-day (from Southampton). †Spotlight South West (from Plymouth).

## BBC 2

6.40 to 7.55 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.30 Newsday.
7.45 First Night of the Proms; Mahler; Symphony No. 8: BBC 2 joins Radio 3 in stereo from the Royal Albert Hall.
9.25 Ten From The Twenties.
10.15 The Money Programme: Germany — Beyond the Miracle.
11.05 News Extra.
11.25 Closedown: Martin Jarvis reads "Fountain," by Elizabeth Jennings.

## LONDON

†10.15 a.m. Bertrand Russell Speaks His Mind. 10.30 Wildlife Theatre. †10.55 "Your Money or Your Wife." 12.05 p.m. Yoga for Health. 12.30 Yak. 12.40 Mr. Trimble. 1.00 First Report: News, plus FT index. 1.20 Lunchtime To-day. 1.30 Songs that Stopped the Shows. 2.00 Good Afternoon. ... Money-Go-Round. 2.30 "Drum Crazy," starring Sal Mineo. 4.20 Robert's Robots. 4.50 Magpie.
5.20 University Challenge.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Husband of the Year.
7.30 General Hospital.
8.30 The Squirrels.
9.00 Police Woman.
10.00 News.
10.30 Police Five.
†10.40 The Friday Film: "The Good Die Young," starring Laurence Harvey, Margaret Leighton and Stanley Baker.
12.20 a.m. A Multi-purpose Church?

All ITV Regions as London except at the following times:—

## ANGLIA

## ATV MIDLANDS

... Friday Matinee: "Sailor Beware," starring Jerry Lewis and Dean Martin. 5.20 The Flintstones. 6.00 ATV Today. 7.00 General Hospital. 8.00 Husband of the Year. 9.00 The Streets of San Francisco. 10.30 Appointment With Fear: "The Hound of the Baskervilles," starring Peter Cushing and Christopher Lee.

## BORDER

†1.25 p.m. Border News. 2.00 Women Only. †2.30 Friday Matinee: "Key to the City," starring Clark Gable and Loretta Young. 5.20 The New Adventures of Superman. 6.00 Border News and Lookaround. 9.00 Village Hall. 10.30 Border Parliamentary Report. †11.00 Late Night Film: "Man in the Middle," starring Robert Mitchum and Trevor Howard. †12.41 Border News Summary.

## CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 2.30 The Friday Matinee: "The Lamp Still Burns." 5.20 Untamed World. 6.00 Report at Six. 9.00 Police Story. 10.30 What Have We Here? 10.55 Friday Late Night Movie: "Toys in the Attic." 12.30 a.m. News and Weather in French.

## GRAMPIAN

12.00 Where Have all the Farms Gone? 12.15 p.m. Jalan, Jalan. 12.35 Lunchtime Call. 1.20 Grampian News Headlines. †2.30 Friday Matinee: "The Truth About Spring," starring Hayley Mills and John Mills. 5.15 Wait Till Your Father Gets Home. 6.00 Grampian News. 6.10 One Northern Summer. 7.00 General Hospital. 8.00 The Protectors. 9.00 Police Story. †10.30 Feature Film: "Istanbul Express," starring Gene Barry and Senta Berger, followed by Road Report. 12.05 a.m. Evening Prayers.

## GRANADA

10.30 a.m. Sesame Street. 11.30 Clapperboard. 11.50 Deep South. 12.30 p.m. Hammy Hamster's Adventures on the Riverbank. 1.20 This Is Your Right. 2.30 Friday Matinee: "The Dancing Years," starring Dennis Price and Patricia Dainton. 5.15 Cartoon. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Randall and Hopkirk (Deceased). 10.30 Granada Profile. 11.00 Mystery Movie. 12.45 Douglas Fairbanks Presents.

## HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. †2.30 Friday Matinee: "The George Raft Story," staring Ray Danton ...

## SCOTTISH

## SOUTHERN

## TYNE TEES

## ULSTER

## WESTWARD

## YORKSHIRE

## RADIO 1

## RADIO 2

## RADIO 3

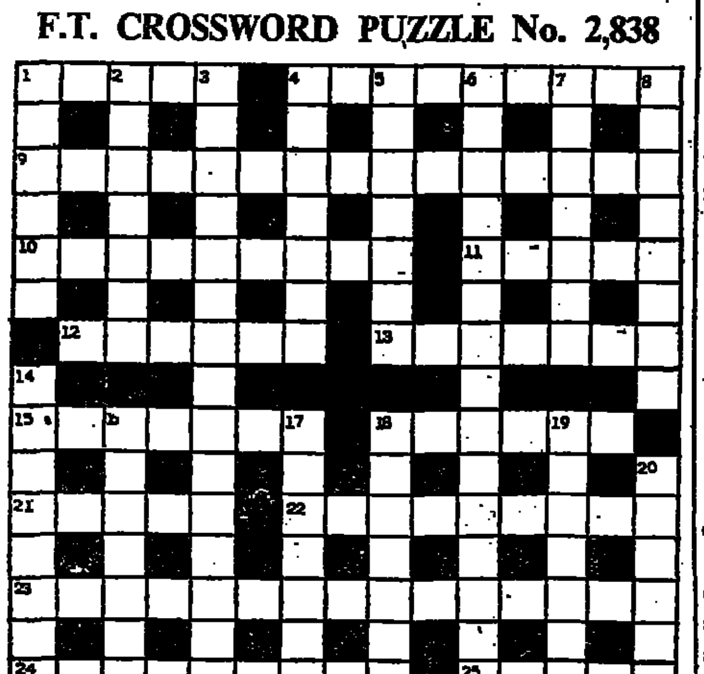
## RADIO 4

## BBC Radio London

## London Broadcasting

## Capital Radio

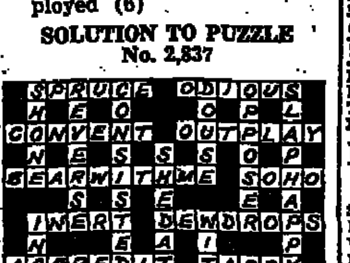
## F.T. CROSSWORD PUZZLE No. 2,838



**ACROSS**
1 The scum get right inside to sleep (5)
4 Go away and vanish (9)
9 Being quite different with no article in green (7, 2, 6)
10 Labels left inside for strict disciplinarians (9)
11 Record part of spoken role (5)
12 Mend about a couple (6)
13 Doubt the accused (7)
15 Where ministers are displayed (7)
18 Good losers in ship outside port (6)
21 Note the snare in principle (5)
22 Repetition—put it down to Eastern allowance (9)
23 Preceding objects prominently displayed in newspapers (7, 8)
24 Reeled alternately left and right (9)
25 Friend died but finished the game (5)

**DOWN**
1 Continental dish containing just one article (6)
2 Team not batting is in the open air (7)
3 Hesitates, or persists in spite of all difficulties (6, 2, 7)
4 Follows receiver to fold at the corner (4-3)
5 Cavities in use in a ship (7)
6 Status of the career-man—male's sin is proof, or could be (15)
7 Growth which suffers from Dutch disease (3, 4)
8 Permitted to appear in circus arenas in curls (8)
14 Dashes to sink a vessel (8)
16 Handkerchief needed for fruit containing last bit of seed (7)
17 Set in action what is pressed by duellists (7)
18 Guided young animal to editor (7)
19 Outing allowed for one of three (7)
20 New French one gets employed (6)

**SOLUTION TO PUZZLE No. 2,837**





هكذا من الأصل

Cinema

# Re-connecting

by NIGEL ANDREWS

**French Connection Number Two (X)** Carlton
**Massacre in Rome (AA)** ABC Shaftesbury Avenue

Never since the inception of the British Board of Film Censors in 1912 have the laws governing the censorship of films in this country been in a state of greater chaos and uncertainty. After the deceptive calm of the 1950s and 1960—when each new *cause celebre* in the cinema seemed less a threat to the censor's existence than an exception that proved the rule of his tact and dependability—all hell has lately been let loose in the debate surrounding the problem of what should and should not be allowed to appear on British cinema screens.

On Tuesday of last week, after a debate lasting only 20 minutes, the Greater London Council censorship committee decided to suspend its functions until a resolution is reached concerning the action brought against them some weeks ago by Raymond Blackburn. The film in question, as everyone must know by now, was *More About the Language of Love*, a Swedish sex education movie then showing at the Jacey, Charing Cross Road, which had been passed for exhibition in the Greater London area although it was refused a certificate by the British Board of Film Censors.

Local authority rulings have always had the power to pass a film for local exhibition, regardless of the decision of the BBFC, and with a GLC certificate the film's distributors could reasonably have supposed themselves safe from legal interference. In successfully bringing a private action against the film's release, however ("grossly indecent" was the verdict of the Central Criminal Court jury), Blackburn has set a precedent that not only imperils both the BBFC and the local authorities but precipitates a judiciary free-for-all which, if it is not cleared up soon by Government intervention, will make our censorship system the laughing stock of the rest of Western Europe.

The problem with laws governing censorship is that, unlike laws governing murder or robbery or embezzlement, there is *absolutely no de facto way of* proving a case. If you want to prove a murder, you produce a dead body. If you want to prove a robbery, you produce an empty jewel case. But if you want to prove a dirty film, what do you produce? Just words: "deprave," "corrupt," "obscene," "outrage," all the emotive abstractions of the law which depend *not upon any objective evidence* provided by witnesses but upon the subjective reactions of an audience, or jury, or censoring body. Blackburn's action, although it is difficult to commend on any other terms, may at least serve to turn the spotlight on some of the basic absurdities that lie behind all censorship laws.

But the question is not so much whether we want more censorship, or less censorship, or no censorship at all. (I think we should try a period of the last—at least then we shall find out if free expression in the cinema is the bogey that everyone has been saying). *Rather, the question is,* do we or do we not provide the film distributor with a reliable guarantee, once he has opened his film, that it can be shown with impunity? If a certificate from the BBFC or the GLC is not enough for this, then what would be? The approval of a government-appointed viewing committee? Or should films be *left, like books and plays,* to appear freely on the market, only thereafter to be subject to prosecution under the relevant statutes?

Either way, the no man's land in which the local authorities and the BBFC are currently operating is of no help to anyone. It is poetic retribution, perhaps, that the GLC should find itself the victim of these undignified wranglings months after their faint-hearted refusal to endorse Mrs. Enid Wistrich's plea to abolish adult censorship in London. The result, at present, is one of those peculiarly British situations in which no one seems prepared to take any step either forwards or backwards. And it is a situation that must be causing as much distress to film-makers as to those more immediately affected, the distributors and exhibitors.

The depressing thing about film censorship—and the reason it seems to me worthwhile to have a trial period without it—is that its activities have no rational basis whatsoever. I do not know what "gross indecency" means, and I do not believe that any credible or coherent definition of it exists in the statute books. What is gross indecency to one man may be a way of life to another, and a perfectly guilt-free and un-injurious one.

If dirty films, furthermore, *serve to "deprave or corrupt"* the viewer, in what light are we to regard the censor himself? Is he incorruptible? Is he already corrupted? Or is he going through a process of gradual moral degeneration to which each new Swedish sex film or Kung Fu bloodbath makes its sad and inevitable contribution?

I *do not* understand what special qualities of wisdom or maturity are shared by recent incumbents of the secretaryship of the British Board of Film Censors — John Trevelyan, Stephen Murphy, James Ferman—that makes them fit to see what I cannot see, or morally qualified to pass judgment on whether I can see certain films or not. At best they can make a bizarre and illogical job look slightly less bizarre and illogical lwthan it is. During the 1960s Trevelyan's air of liberalism and instinct for public relations kept the opponents of censorship at bay for most of his tenure. Stephen Murphy, his successor, has been in attitude and style, his exact opposite. Where Trevelyan papered over the cracks in the system, Murphy simply disappeared into them. His nervous, guarded approach to his work has seemed more suited to a secret service organisation than to a public office one of whose functions, one imagines, is to keep filmgoers and film-makers informed as to just what is and what isn't currently passing the censor's scissors.

The *new secretary of* the Board, Mr. James Ferman, has a pretty poor tradition to live up to. None of his public utterances have yet inspired one with confidence, but with any luck, by the time he is due to take over the job full time in October (currently he is sharing it with Murphy), the Board will either have had its power clarified or *else have been disbanded in* favour of a stronger body or—dare one hope?—no body at all.

★

Hollywood sequels are showing an unnerving tendency these days to be better than their originals. I have not yet seen *The Godfather Part Two*—having been away from London when it opened—but I am told that it is several notches up on its predecessor. And there is no doubt that *French Connection Number Two* is a vast improvement on the Number One model. Once more it is a tale of the law versus the heroin trade, and once more Gene Hackman as belligerent New York cop "Popeye" Doyle is pursuing Fernando Rey as suave drug chief Alain Charnier (affectionately known as "Frog One") through the seedy, squalidly picturesque streets of Marseilles.

The difference is that the action sequences here are much more original and exciting than in the earlier film (a burning hotel: a gun battle in a dry dock that suddenly starts to flood with water), and Gene Hackman is given much more character to work with than the one-dimensional bully of the original. The scenes of his withdrawal from heroin addiction (the villains capture him in one scene and give him a taste of their merchandise) are as harrowing as anything the commercial cinema has given us on this theme. John Frankenheimer directed the film, and can have done his lately ailing movie career no harm at all.

★

*Massacre in Rome* is the story of the 335 Italians who were rounded up and shot by the Nazis, during the last days of the occupation of Rome, as a reprisal for the deaths of 33 SS officers in a street battle instigated by the partisans. One usually fears the worst from co-productions, but this Anglo-Italian venture produced by Carlo Ponti and directed by George Pan Kosmatos has a rare modicum of dignity and style. Good period recreation: a steady, not too stilted script: and a performance by Richard Burton as the Gestapo officer that at last does justice to this actor's air of doomed, burnt-out nobility.

Gene Hackman in 'French Connection Number 2'

Some of the all-black cast from South Africa in the Zulu musi cal 'Kwa Zulu' which opened last night at the New Theatre

Garrick

# Absent Friends

by MICHAEL COVENEY

Another episode in Alan Ayckbourn's long-running saga of fragmenting relationships and soiled domesticity as lived by our own dear middle and lower-middle classes disdains the structural tricksiness of the same author's *How The Other Half Loves* and *Norman Conquests*, presenting us firmly with as unpleasant and unsettling a picture of suburban misery as can be imagined on this (or any other) side of Esher. The play is deceptively straightforward. It is also consistently and cruelly funny.

We are in the living room of Paul and Diana's house where the arrival of Paul's old friend Colin, long absent and recently bereaved, is to be met with a small tea party. Another friend, John, and his wife, Evelyn, are also invited. Evelyn (Cheryl Kennedy) sits resentfully on a tall stool, reading a despised woman's magazine and occasionally rocking her baby's pram. The baby is called Wayne. Another friend of Colin's, Gordon, is confined to bed at home, but his scatty and strenuously cheerful wife Marg (Phyllida Law), has made the effort and continues to make it for most of the play. Once again, the ties and anxieties of Ayckbourn Man are the surface and symptomatic gloss of an inner despair. The characters themselves do not see that despair as clearly as we do. But when it overtakes them, as it does Diana and Paul in the play's startling and short second act, *they certainly suffer as a result.*

Richard Briers in his third Ayckbourn play (the others were *Relatively Speaking* and *Absurd Person Singular*) plays Colin, the sort of idiotic insensitive buffoon on whom sympathy for his bereaved state is not only lost but positively wasted. He knew Carol for 14 months and 23 days (he says) before the sea claimed her; and within half an hour of stepping over Paul's threshold the photographs are out. Carol is already filed in the memory bank, a card to be produced at the next conversational hiatus. As is Ted Dyson. ("Ted Dyson's still about." "Good.") Ayckbourn Man has very little to say or even talk about except the sordid and inconsequential minutiae of his tedious past and insufferable present. It is the skill of Ayckbourn the comic dramatist to organise these details into a pattern flecked with venomously funny lines that puncture the tension both on stage and in the auditorium.

Evelyn remains impassively and monosyllabically sulky as Colin tries to enliven the party with cackling recollections, one of which leads almost directly to the fiercest point in the play. Paul (Peter Bowles) had been courting Diana's (Pat Heywood) sister. An accident with a china duck on the wall led to the fractured animal being stuffed into Paul's trousers, along with (it is hastily alleged) Diana's napkin as a memento. Paul, who has been sexually humiliated by the indifferent Evelyn, weightily declares that he now uses the *napkin to clean the car.* Diana pours milk over his head and, as Paul retreats in a blind rage, she suddenly explodes in a state of uncontrollable hysteria. Miss Heywood plays the scene quite brilliantly, assaulting the other characters with a torrential, unstoppable outburst.

Ray Brooks as John momentarily stops cracking his knuckles and rocking about nervously on the balls of his feet, and the scene of domestic desolation is completed by an angrily cathartic eruption on Paul's part. The stage is suddenly filled with an air of bitterness and recrimination as Colin creeps mangily from the house, still pathetically signalling that the lads might get together again soon for a few beers.

Eric Thompson, the director, has done another fine job in balancing the dark and light of Ayckbourn's comedy and he has coaxed particularly fine performances from Mr. Briers, Mr. Bowles and Miss Heywood. It would be easy to suggest that Ayckbourn Man is a transposable commodity from one Ayckbourn play to another. Equally easy to deduce from this, and other of his plays, that Ayckbourn has a low opinion of *the institution of marriage*: the terrible injuries it can inflict on people unequipped to deal with each other over a long period of time provide a recurring, almost repetitive, strain in each one.

But the play amounts to an undeniably gritty and purgative theatrical experience, a comedy *of quality that is far superior to* the general run of recent West End fare. "Nice to have friends round," says Marg as the curtain falls. As long as they're not Ayckbourn Men. But, thank God, we don't know any of *them.* Do we?

Sadler's Wells Theatre

# La Périchole

by RONALD CRICHTON

Offenbach's *La Périchole* is a work from the vintage period *in the years just* before the Franco-Prussian War. The Périchole was a Peruvian street singer, based to some extent on a real character, whose attraction for the Spanish Viceroy was treated in a different way by Mérimée in his *Carrosse du Saint Sacrement*, which Berners later turned into *an opera.* Offenbach and his librettists, Meilhac and Halévy, had Hortense Schneider for their title-role. The piece was one of her greatest successes, and she was induced to return for a revival in 1874, with an additional third act, including the famous "Tu n'es pas beau."

The London Opera Centre have revived Douglas Craig's production of (was it?) two years ago. It was a success then and should be so again (further performances to-night and Saturday). *La Périchole* is tuneful, touching and funny in a less *ferocious* way than is usual with these authors. It is not topical, though no doubt the court scene, as anything concerned with luxury, pleasure and corruption could be, was taken satirically at the time. It is good for students to try an operetta written for exceptional talents, to be made to sing Offenbach carefully, but the best students in the world will release only a tithe of the potential. Hortense Schneiders can't be had for the asking.

Wednesday's cast (there were different principals for last night and Saturday) were pleasing, competent, well prepared. One wished James Robertson, the conductor, had been more indulgent to Hilary Western *in the* Périchole's big songs—unlike Viennese operetta composers, Offenbach won't stand being coated with schmalz, but there should be a little more give and take in those ample curves than *Miss Western, who has a good* voice and uses it well, was allowed. Her equally good locks were not helped by her costumes, designed on the unsound principle that to pile colour on colour increases Southern glamour—it doesn't.

Her partner and lover, Paquillo, was Keith Lewis, the most adept in this cast for matching tone and word. There was, for an opera school, too much slovenly or ugly diction, with signs of a revival of that kind of refainement which used to be called Kensingtonian. In the Ladies in waiting it could conceivably pass as a comment on the court, but the three "cousins" who kept the café in the public square showed signs *of it too.* The most stylish performance came from Arnold Dvorkin as the susceptible Viceroy with a passion for disguises. Russel Smythe was the dotty, bassoon-playing old prisoner who gives an unex*pectedly zany twist to the last act.*

John Kentish has rehearsed Douglas Craig's production. The little bursts of D'Oyly Cartering are presumably the work of the choreographer, Leo Kersley. On Wednesday they were too half-hearted to make any effect. The chorus comes from the New Opera Company, the orchestra from the Royal Academy of Music. The entracte before the last scene was so well and crisply played that their clumsy way with some of the scores sudden surprises, like the Mozartian melodrama in Paquillo's scene with the courtiers, was the more conspicuous. Joyce Conwy-Evans's backcloth evokes sun, dust and *rotting fruit. Elsewhere she lays* the colour on regardless. The court ladies look like lumps of Edinburgh Rock.

Albert Hall

# Beethoven

by MAX LOPPERT

To complete its cycle of Beethoven concerts, the Royal Philharmonic Orchestra under Antal Dorati gave on Wednesday the Eighth and Ninth Symphonies, the latter with the participation of the Brighton Festival Chorus. Although it was in sum a not very inspired end to a generally disappointing series, the concert did at least indicate, by means of particular and even striking details of performance, what the conductor's fullest response to the symphonic Beethoven might be; whereas during some of the earlier evenings one had begun to wonder whether the music struck in Mr. Dorati any response at all, other than as a meticulous and seasoned *routinier.*

When a conductor has put more than a hundred Haydn symphonies on disc, it may be obvious, but it is surely forgiveable, to look for the Haydn fingerprints on his Beethoven. The Eighth Symphony, with its rustic, open-air quality of warmth and exhilarating high spirits, took well to what one might broadly call a Haydnesque view: robust rhythmic tread; a firm grasp of the solid good humour that, in the second movement most of all, fails to disguise a wonderful, chuckling wit; a spacious and clear-headed control of the tumbling incidents in the Finale. The playing was spry (the RPO boasts a very fine bassoonist, so important in Beethoven as he steels *from* under the surface with some subversive or questioning countermelody). A lack of affection in rounding the broad and serene opening melody was less important on this occasion than it has been in similar places in other symphonies.

Yet Beethoven is not Haydn; and whenever, particularly in the first movement, the music embarked on some burning adventure through distant harmonic regions, shaping fierce and dramatic gestures the while, conductor and orchestra seemed unwilling or unable, in spirit, to follow it. The Ninth Symphony was, in rough correspondence, at its most convincing in the Scherzo, whose relation to, and divergence from, earlier Classical Scherzo patterns was made clear in lucid and unfussy playing, with rhythmic momentum nicely judged and sustained.

Indeed, the Ninth Symphony will reward an interpreter with his Classical notions and priorities firmly fixed; but it demands, equally as *much in the* Scherzo and infinitely more in the other movements, a greater urgency and forcefulness, a constant awareness of the earth-shaking experiments and explorations to which Beethoven was subjecting the Classical symphony; and in this respect the performance could hardly have been more wanting. How one yearned, during the wild, plunging and thrusting figures of the first movement, for Mr. Dorati to shake his fist at the music, make it roar and quake, do almost anything more with it than simply direct it with so much brisk, no-nonsense security!

In the Finale, Norman Bailey, using his grandest and most imperious Wotan voice, brought some reminder of the rhetoric raised to the power of sublimity that the opening recitative can be in other performances. Unfortunately, it was a badly balanced solo quartet—suave light tenor (Stuart Burrows) lost in declamation, soubrette soprano (Carol Farley) fluttering around the heroic phrases. Only the alto Alfreda Hodgson was Mr. Bailey's comrade in vocal solidity. The men of the chorus lacked weight of tone. The end was a scamper. An earthbound performance, of a work in which to be earthbound is profoundly to have missed the point.

# The Unicorn in August

The Unicorn Theatre for Young People's summer holiday programme continues with *The Lion and Unicorn Rumpus*, a production written for the Unicorn company to perform in the Arts Theatre, W.C.2, in a street situation in play-groups and parks in Southwark and at the Japanese Water Garden in Covent Garden.

*The Lion and Unicorn Rumpus* is a participatory event based on the nursery rhyme about the Lion and the Unicorn fighting for the Crown. In this play by Marged Smith, the children assist in the various conflicts, and are finally called upon to decide the outcome of the fight for the Crown.

It opens at the Arts Theatre on Friday, August 1, at 2.30 p.m. and will end there on August 17. It will be followed by Polka, the children's theatre company which uses actors and puppets, and which will present *The Little Donkey* for four-nine year olds from August 19 24.

Unicorn's summer programme ends with a Punch and Judy Show for children of all ages which returns on August 30 and 31.

# WORLD TRADE NEWS

## Big expansion of Soviet merchant marine

BY LESLIE COLITT

BERLIN, July 24.

THE Soviet Union is expanding its merchant marine by 90 ships this year to include large cargo vessels, bulk carriers, tankers, container ships and previously neglected special types of vessel.

In a report to be published by the German Institute of Economic Research in West Berlin on the expansion and modernisation programme of the Soviet maritime fleet, Moscow's merchant marine is said to be the world's sixth largest, just ahead of the U.S. at 13.5m. gross tons.

The Soviet Union's main trading partner, the German Democratic Republic, is to deliver 15 container ships and 24 semi-container vessels by the end of this year. The GDR will also complete six passenger ships and six factory fishing vessels on order from Russia.

Roll on-roll off container ships are to be delivered by French yards, and have also been bought second-hand from West Germany. Finland is providing six ferries and six so-called polar tankers of 14,500 d.w.t. Bulgarian shipyards are building 10 large tankers with reinforced hulls for passage through Arctic waters.

Soviet yards are reported to be building a greater number of specialised ships than before, although they are still largely taken up with warship construction. Until now, the Institute says, citing East German publications, two-fifths of the Soviet merchant fleet has been made up of vessels delivered by Comecon countries, mainly the GDR and Poland.

Currently the average size of 5,200 gross tons for Soviet ships is the lowest among major shipping nations. Some 15 per cent. of the tonnage is made up of steamships, mainly tankers and dry-cargo vessels. About two-thirds are less than 10 years old.

A characteristic of the fleet is the high proportion of freighters, the many passenger vessels and low tanker capacity. There is also a lack of container ships and gas tankers but, on the other hand, the unusually large percentage of technically advanced fishing vessels.

The West German Institute notes the recent Soviet launching of its first 150,000-ton tanker to be used for passage through the Bosphorus. Previously-built Soviet tankers were only half that size. The bulk carriers being built for trade with the West are also said to be twice as large as those currently in service with the Soviet merchant marine.

Of the 192.2m. tons of cargo carried by Soviet ships last year some 10m. tons went in the 38 regular liner services. Among these is the Black Sea Shipping Line's service from the Far East to the Continent and the Baltic Sea Line's run from Soviet Baltic ports to the West coast of South America.

European and international conference rates are frequently underbid by the Soviets, whose uneven pattern of international trade fosters price-cutting. For the Russian lines almost any paying cargo is frequently better than having to carry ballast.

Four regular Soviet transport lines and eight other Comecon lines are members of shipping conferences, but the survey says it remains an open question whether Comecon shipping can be brought into cartels and be bound to the agreements.

Soviet passenger liners can carry 23,000 persons, the world's fourth largest capacity, and by contrast with the West the passenger service is on the increase. Last year Russia bought the 25,000-ton vessel Hanseatic, which was renamed the Maxim Gorky and chartered for three years to a West German travel company.

The author of the report, Herr Heinz Otto, said in an interview that the liners were earning hard currency for the Soviet Union while remaining part of the Soviet Navy's transport capacity.

The study concludes that as the state-guided Soviet merchant fleet and those of the GDR and Poland expand their international operations they may well force the traditional seafaring nations to water down "liberal elements" in their shipping policies.

## India sells more to Gulf states

By Our Own Correspondent

NEW DELHI, July 24.

INDIA'S TRADE pattern is undergoing a change, with increasing emphasis on more trading with the Gulf countries and Arab states. The policy is obviously aimed at enabling India to meet the impact of the oil crisis and rising energy prices.

Latest official figures show exports to Gulf countries jumped 278 per cent. to Rs.1.93bn. (£104m.) in the first nine months of fiscal 1974-75, compared with Rs.765m. (£41.3m.) a year earlier. That indicates both the expansion and the diversification in the trade pattern with these countries.

Iran has been the leading buyer of Indian goods in the Gulf region and her exports to India increased to Rs.1.19bn. (£64m.) in April-December, 1974, compared with Rs.254m. (£13.7m.) a year earlier. The sharp rise in exports to Iran was attributable to Iran's large offtake of sugar, cotton manufactures, tea, jute manufactures, machinery, transport equipment, spices and iron and steel.

The other country to which Indian exports have increased sharply is Iraq. Shipments in the first nine months of 1974-75 amounted to Rs.400m. (£21.6m.), compared with Rs.121m. (£6.5m.) in the previous comparable period.

Iraqi purchases were mainly of iron and steel, machinery and transport equipment, textile fabrics, jute manufactures, spices and metal manufactures.

Exports to Kuwait rose from Rs.129m. (£7m.) to Rs.288m. (£15.5m.), including electric machinery, rice, iron and steel, fresh and frozen meat and transport equipment. Dubai, Abu Dhabi and Bahrein have shown similar increases.

Saudi Arabia purchased more Indian goods—Rs.253m. (£13.6m.) against Rs.150m. (£8.1m.)—mainly of iron and steel, cotton and jute manufactures, cereals, inorganic chemicals, electrical machinery and metal manufactures.

An analysis of exports during the nine months shows that the Soviet Union is now a major buyer of Indian products and that African nations have doubled their imports from India.

Out of total Indian exports between April and December, 1974, of Rs.23.45bn. (£1.26bn.) the USSR took Rs.3.13bn. (£169m.), the U.S. Rs.1.35bn. (£72.8m.) and the EEC Rs.5.07bn. (£274m.).

## Export Contracts

WHITEHEAD CONSULTING GROUP has concluded a $6m. three-year technical assistance contract with Sonatrach, the Algerian state oil company covering training and the secondment of technical and managerial personnel, as well as consultancy.

Whitehead has been working in Algeria since 1972, and won the order against French and U.S. competition. Staff in Algeria will be increased from 40 to 50, and those seconded will be directly responsible to Sonatrach and involved in implementing proposals put forward by the consultancy team.

Mr. Rodney Shields, managing director, said the contract would mean $4.5m. in invisible earnings for the U.K. Whitehead was confident of winning further "package-deal" contracts in other developing areas, he added.

DAVY POWERGAS has been awarded an engineering and services contract by Gecamines, Zaire, for a 100,000 tons-a-year copper flash smelter at Kolwezi, which will have a value of the order of £40m. Finance comes from the World Bank, Libyan Arab Foreign Bank, European Investment Bank, and Gecamines' own resources.

## Inflation a major threat to 'invisible' earnings

Financial Times Reporter

EXPORT HOUSES expect some increase in "invisible" earnings in 1975 despite the general recession in trade and the damage to Britain's competitiveness inflicted by the rapid rate of domestic inflation, Sir Richard Powell, president of the British Export Houses Association, told the association's annual meeting in London yesterday.

Sir Richard pointed out that "invisible" earnings on private account were 40 per cent. of gross U.K. foreign exchange earnings, and had shown a consistent net surplus which in 1974 exceeded £2.7bn. That compared with a deficit on visible trade of over £5bn.

"Our standard of living is supported to a dangerous extent by foreign borrowing. We have willed the ends of social welfare and rising consumption, but we have failed to generate the means from our own resources," he declared.

"We have about reached the end of redistribution of incomes and have daamged the incentives which lead to the creation of new wealth. There is a risk that the wealth that we have will be dissipated into current consumption.

## Exhibitions

● In a move presumably designed to increase exports, China has organised two more specialised trade fairs. These follow a Carpet Fair and Forest Products Fair held in the spring. A Silk Fair at Dairen is in progress and continues until August 5, and a Willow, Straw and MAIZE GOODS Fair (various types of basketware) is to be held at Tientsin (August 20-30). All four are innovations this year. The policy represents an effort to seek new ways of increasing exports in view of China's continuing foreign exchange shortage. But the policy is still in the experimental stage as the Chinese seem uncertain whether the Fairs will be repeated next year. So far only regular customers have been invited.

## Ghana transhipment will ease Lagos congestion

BY OUR OWN CORRESPONDENT

ACCRA, July 24.

GHANA IS to provide facilities for the storage and onward transport by road of certain goods bound for Nigeria but which cannot be unloaded there because of the congestion at Lagos port.

A communiqué issued at the end of a two-day meeting between delegations from the two countries said an agreement to that effect would be signed before August.

Initially, it is expected that building materials and cement bound for Nigeria will be diverted to Ghana for transport by road.

A source close to the talks said the congestion at Lagos might last about five years. Ghana's modern port of Tema could handle a portion of the Nigerian cargo without impeding the import of goods for Ghana's own needs.

There is a second port at Takoradi in the Western region which could also be utilised if the need arose.

The proposed agreement would be a good curtain-raiser for operation of the West African Economic Community, whose treaty was signed in Lagos on May 28.

Captain Olufemi Olumide, Nigerian Federal Commissioner of Transport, said the agreement was "a tangible sign" of how the Community could best thrive.

## Australian temporary ban on some clothing imports

BY KENNETH RANDALL

CANBERRA, July 24.

THE AUSTRALIAN Government has tempararily banned a wide range of clothing imports from Singapore, the Philippines and Thailand after the breakdown of negotiations for voluntary restraint agreements.

The main items affected are knitted tops (coats, jumpers, shirts, blouses and similar items); knitted and woven dresses; and woven blouses and shirts for women and children.

A Government announcement to-day said import licensing was being introduced against the specified goods from all three countries but, at this stage, no licences would be issued to importers.

In addition, imports cleared since July 1 would be debited against any future licence entitlement and so will goods in transit as from to-day.

Importers had been warned in March to "exercise caution" in ordering pending advice to the Government from its Textiles Authority.

The Government announcement said urgent action would be taken if any new source of supply threatened domestic market disruption.

### Pay disputes

More than 10m. postal articles have banked up at Post Offices throughout Australia because of a pay dispute between the Postal Commission and about 1,000 mail exchange Overseers.

Members of the Postal and Telecommunications Union have refused to carry out higher duties when any Overseer is absent. They are expected to lift the ban to-morrow, however, following a negotiating conference to-day.

South Australia is experiencing an electricity shortage because of a pay dispute in the main Adelaide powerhouse, and parts of the city were blacked out to-day.

The Queensland Government will decide to-morrow whether to introduce power rationing for the southern part of the state, including Brisbane. The region's main power station is running out of coal because of a miners' strike, which threatens to extend at least into next week.



# AMERICAN NEWS

## Burns denies Fed policy to raise interest rates

BY JAY PALMER

NEW YORK, July 24.

DR. ARTHUR BURNS, the chairman of the U.S. Federal Reserve, this morning delivered a strong hint that the Fed's recent moves to tighten credit would not last long.

Speaking before the House Banking Committee in Washington, Dr. Burns confirmed that the Fed has intervened in the credit markets to "check the recent spurt in money supply." "Although this has resulted in sharply higher short-term interest rates," Dr. Burns added, "no inference should be drawn that we have embarked on a policy to raise interest rates."

Noting that the nation's money supply (M1) grew at an annual average rate of 14½ per cent. during May and June because of tax rebates and social security bonuses, Dr. Burns pointed out that this "explosion was larger than we had expected and very much larger than we desired." Referring to Fed money supply growth targets of between 5 and 7½ per cent, Dr. Burns said that rates of increase of the May and June levels just would not and could not be permitted.

The Fed chairman, however, continued to warn that the Government must remain mindful of the dangers of inflation as well as the recurrent problems of unemployment. The recent sharp rise in consumer prices, he said, "is a warning that the menace of inflation is still very much with us. Economic recovery is beginning when the rate of inflation, while lower than a year ago, is still well above tolerable levels."

Conceding that Fed intervention in the credit market had driven interest rates higher in recent weeks, Dr. Burns stressed that it is the Fed's intention to keep the rate on federal funds at around 6 per cent. The current 6¼ per cent. level, he added, is not representative.

The admission that Fed market operations have sent interest rates higher prompted strong criticism from Henry Reuss, the Democrat chairman of the Banking Committee. Following Dr. Burn's testimony, Mr. Reuss urged the Fed to "cease and desist" from actions thta will work to lift interest rates when unemployment continues at high levels.

## 'Fed should expand credit faster'

FINANCIAL TIMES REPORTER

THE U.S. Federal Reserve has been severely criticised for tightening credit too early by Dr. Andrew Brimmer, a former Fed Governor. Dr. Brimmer was speaking at an American Chamber of Commerce lunch in London.

He warned America's principal trading partners not to count too much on a U.S. upturn during 1975 and 1976. He is understood to have had in mind the need for countries, such as Germany, who are in a strong balance of payments and price situation to do more to stimulate their own economies.

Dr. Brimmer said that the U.S. recession was now over but that the prospective recovery over the next year in the real GNP of 5½ per cent. compared unfavourably to an average of 9 per cent. in the corresponding stages of previous recoveries. Unemployment did not look like falling below 7½ per cent. in the second half of 1976.

On the other hand, inflation had already dropped from 12 per cent. to 5-6 per cent., and he did not think that a more expansionary monetary and fiscal policy would risk a resumption of double digit inflation. He called on the Fed to aim at a money supply growth rate of 8-10 per cent. instead of its stated 5-7½ per cent. target.

## Mid-July new car sales up by 4.2%

By Jay Palmer

NEW YORK, July 24.

NEW CAR sales for mid-July by America's "Big Four" motor manufacturers rose overall by 4.2 per cent. over 1974 levels, the first year-to-year gain reported by the industry as a whole since September 1974. At the same time, industry daily average sales for the week-and-a-half of July 11 to 20 were the highest recorded for any mid-month period since June 1974.

However good the gain, it is not to be taken as any indication that the slump in U.S. new car sales is over. Virtually all of the rise in sales came from special promotions put on by General Motors and most accept predictions that sales in the final period of this month will again be sharply down. In any case, analysts note that the industry gain is relative, with the comparable mid-1974 period already representing a 28 per cent. slump on the 1973 levels.

Thanks to these now-ended special promotions, GM's Chevrolet division lifted its daily average sales for the eight-day period (nine days last year) by 43 per cent. Despite a 22 per cent. drop in Pontiac sales, this was enough to lift GM's total sales by 16.3 per cent. and boost its share of the domestic market from the 1974 level of 54 per cent. to 60 per cent.

Illustrating the true underlying trend in sales, both Ford and Chrysler reported lower daily average sales with drops of 8 per cent. and 11 per cent. respectively.

## Plan to triple OPEC votes in World Bank

WASHINGTON, July 24.

WORLD BANK president Robert McNamara has suggested tripling the voting power of OPEC countries in the Bank from 5 to 15 per cent., monetary sources said to-day.

This would raise the capital subscription of the 13 members of the Organisation of Petroleum Exporting Countries to about $5bn. from about $1.3bn. at present.

Mr. McNamara's tentative proposal is based on the substantial borrowing made by the Bank in the OPEC countries. The proposal is unlikely to be put to a vote of the Bank's executive directors until the World Bank's sister organisation, the International Monetary Fund (IMF), completes work on increasing and redistributing its quotas.

The final decision will therefore almost certainly be delayed until the joint IMF-World Bank meeting in Washington in the first week of September. The IMF has already voted to double the voting power of OPEC countries from 5 to 10 per cent.

Reuter

## Canada may halt N-deal with Argentina

By Victor Mackie

OTTAWA, July 24.

CANADA COULD have a lawsuit on its hands if Argentina rejects Canadian attempts to impose new safety terms on a signed contract for delivery of a Candu nuclear reactor. Energy Minister Donald Macdonald has said that Argentina was "upset" by the new Canadian demands.

He said, however, that Canada would not honour the contract even though it realised that it could lay the country open to a damages suit. The $300m. Candu sale is to be part of a $700m. project at Cordoba for which Italy is providing the non-nuclear generator and electrical distributing equipment.

Mr. Macdonald said that if it proved impossible to get Argentinian approval of the new safeguards—designed to prevent Candu waste products from being used to produce atomic weapons—the Candu would not be shipped. In that case the project would probably become a white elephant and result in a lawsuit, he said.

The contract with Argentina, as originally signed in 1973, provided for only one safeguard inspection by the International Atomic Energy Association. Mr. Macdonald said that Canada was insisting on new safeguards partially because of political events in Argentina.

## Deadline for NY unions

BY OUR NEW YORK STAFF

NEW YORK, July 24.

NEW YORK City's Mayor Abraham Beame, struggling desperately to find a solution to the city's financial woes and restore investor confidence in the city's debt issues, has given the municipal unions until mid-night on Tuesday to agree to a new fiscal programme.

Added pressure came from the state's Governor, Hugh Carey, who encouraged the unions to accept the package. This is the first time that the Governor has taken a public stand on the issue. Union officials, bitter at what they feel is unwarranted interference, have been adamant in their refusal to accept wage-freezes, salary cuts and layoffs, which are the mainstay of the new budget plan.

The Mayor and the Municipal Assistance Corporation, a state agency, need to establish a fiscal package which will enable them to make a second $1bn. debt offering and time is rapidly running out as the August 7 deadline approaches. The offering may well become a swap for $792m. in outstanding notes due on August 22. Some agreement must be reached if the city is to avoid defaulting on its debt.

The Mayor's deadline, which sets the stage for a showdown with the unions, comes on the heels of a management shake-up in "Big-Mac" itself, where the "hawks" have overpowered the more "dovish" members. The Agency has been pushing for a $1bn. cut in city expenditures.

## Now NASA turns sights on Mars

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WITH THE splashdown of the U.S. astronauts in the Apollo-Soyuz test programme successfully completed, U.S. space officials are now turning their attention to their next major venture—an unmanned landing of two spacecraft on Mars.

The plan, designated Viking by the National Aeronautics and Space Administration (NASA), is to launch two unmanned spacecraft from Cape Kennedy around August 11, on a 200m.-mile journey through space that will end next July—with the first craft hopefully landing on Mars on July 4, the bicentennial of the U.S.

The aim of each Viking craft will be to conduct unmanned experiments on the surface of the planet and relay the information back to earth. The NASA scientists hope that this will yield new knowledge on the origin of the solar system, and help in the search for "extra-terrestrial life."

The Apollo-Soyuz venture will be the last U.S. manned spaceflight for several years, until the Space Shuttle begins operations around the end of this decade.

BOLIVIA'S OIL AND GAS OUTLOOK

## Optimism is needed

BY MICHELLE PROUD IN LA PAZ

BOLIVIA'S economic outlook has undergone an almost complete turnaround over the past 18 months because of record prices for its oil and gas exports. These helped to provide an unprecedented balance of payments surplus of almost $U.S.70m. last year, improved the country's credit rating, encouraged a burst of investment in agriculture, transport infrastructure and industry, and resulted in an upturn in business confidence.

The value of oil exports last year rose to $160.8m. from $48.9m. in 1973, in spite of a 10 per cent. drop in volumes. Gas exports brought in $24.1m., up from $18.1m. in 1973, on a steady volume of 150m. cubic feet a day. The increased values gave the state oil company, Yacimientos Petroliferos Fiscales Bolivianos (YPFB) a profit of $67.3m., providing much of the funds for investment in new exploration and giving the company a strong base on which to raise foreign loans.

In addition, a 19 per cent. tax on oil and gas production is now providing more than a tenth of all central Government revenue. A separate tax of 11 per cent., which goes directly to the local authorities of the areas where thet oil and gas are produced, is proving an effective way of spreading the investment of oil income. The Comité de Obras Públicas of Santa Cruz—the main production area—which, for instance, in 1973 had an income of about $7m., suddenly finds itself with close to $2m. a month to spend. This has enabled it to get well beyond its traditional activities of putting in paved streets, water, sewage, electricity and telephones in the city of Santa Cruz itself to major scheme like the $400m. Rosita hydroelectric project, involving a dam across the Rio Grande, and a 300 km all-weather road into the northern jungle areas of the Beni.

Bolivia has always been primarily a gas rather than an oil producer and the immediate prospects for gas sales continue to look good. Earlier this year the Government negotiated an important though belated price increase with Argentina, at present the sole customer for its gas.

The new price of $0.65 per thousand cubic feet—up from $0.35, which had been in force since 1973—is retroactive to last September. YPFB still has a number of recently discovered but unexploited gas fields in reserve.

In oil, however, the boom may turn out to be short-lived. Not only is Bolivia running into difficulties in selling its premium-priced petroleum but it also faces the prospect of fast-dwindling output from present reserves unless it can discover new fields and get them into production quickly.

> 'Even at the present low production level Bolivia is having trouble marketing its oil.'

The Government is pinning a lot of hope on the drilling programme by foreign oil companies which has just got under way with the first wildcat, La Joya I, now being drilled by Sun Oil on the highland altiplano near Oruro. The well is the first to be drilled by a foreign company since Bolivia began signing its new-style production sharing contracts in March 1973—in fact it is the first drilled by anyone except YPFB since Gulf Oil's Bolivian operations were expropriated in 1969.

The well is also something of a curiosity in oil exploration, since at slightly over 13,000 feet above sea level it is one of the highest oilwells drilled anywhere.

The altiplano block on which Sun Oil is now drilling is one of 14 contracted out to foreign companies over the past two years by YPFB. Sun Oil itself took three blocks, with an obligation to invest a minimum of $13m. in the first three years. The main feature of all the contracts is that, like those in Peru, the foreign companies are in partnership with YPFB with a well-head production split which ranges from an initial 50 per cent. in YPFB's favour to 58 per cent. on the most recently signed contracts.

Seismic exploration on most of the contracted blocks is well advanced, and several other companies are ready to start drilling. As soon as the Sun well is completed, probably by late August, the rig is to be moved to Superior's block, also on the altiplano. Occidental and Amerada Hess/Amoco in the east near Santa Cruz, Phillips in the north central jungle, and Union and Total, in the north west close to the Peruvian border, are all likely to drill before the end of the year. The only setback in this flurry of activity is that the U.S. companies—a majority of the contractors—are now trying to minimise expenditure as a result of the cut in depletion allowance under new U.S. tax laws, and several companies are even looking at the economics of pulling out altogether.

Even so, the minimum commitment is considerable. This year foreign companies will be spending at least $30m., and YPFB itself has $20m. earmarked for exploration work. With a better-than-average record in Bolivia for successful hits in the past, YPFG geologists say there are good grounds for their optimism.

This optimism is certainly needed. Production, at present just over 46,000 barrels per day, is dropping by at least 10 per cent. a year and is expected to average only 40,000 bpd during next year. YPFB has nearly 300 wells in production in ten, mostly small, oilfields. All are fully developed, and though output could be boosted temporarily reserves are being rapidly depleted. With a two- to three-year time lag for bringing a new field into production, YPFB needs several major discoveries in the next 18 months if it is to reach its target production level of 200,000 bpd by 1980.

Even at the present low production level, Bolivia is having trouble marketing its oil. About 17,000 bpd is refined locally for internal consumption, 15,000 bpd is pipelined to Argentina under a long-term sales contract and the rest is exported through the trans-Andean pipeline to Arica. Traditional customers are mostly neighbouring countries—Chile, Peru, Brazil—with any surplus sold in spot lots mainly through Swiss traders.

Until late last year Bolivia was getting $16 a barrel for its oil—which is light grade and sulphur-free and usually carries a $2 or $3 premium. By late last year, however, the monthly volume of sales had dropped to half the normal level, and sales have only picked up this year because the Government has been easing back on the price.

New discoveries are important not only to maintain the volume of crude exports but also to meet local industrialisation plans. YPFB is now embarking on a $120m. project to more than double the country's refining capacity to nearly 45,000 bpd, which involves a new lubricants plant at Cochabamba and a virtually new refinery at Santa Cruz.

Other industrialisation plans for the east of the country—which include a $300m. petrochemicals complex at Santa Cruz and a steelworks at Mutun near the Brazilian border—depend primarily on gas for fuel or feedstock. Here the question is not so much new discoveries as the size of the existing gas reserves, which the Government has consistently refused to reveal.



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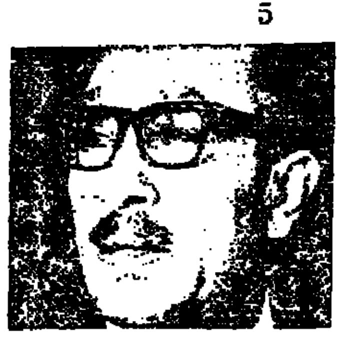
With pressures mounting on both sides, the Middle East has been through another round of shadow boxing

● RABIN: see-saw of escalating demands?

# Peace is back in the melting pot



● SADAT A dangerous piece of brinkmanship

BY ALAIN CASS

THE MIDDLE EAST is, once again, faced with one of those typical situations where words speak louder than actions. After *several weeks of both* secret and public negotiations between Israel and Egypt culminating in a dangerous piece of brinkmanship by President Sadat of Egypt, Mr. Rabin, the Israeli Prime Minister, has delivered his not *entirely unexpected* riposte and the chances of an interim agreement in Sinai appear, not for the first time, to be in the balance.

As most people suspected Mr. Sadat's refusal to automatically renew the United Nations Emergency Force mandate in Sinai was little more than a tactical move designed primarily *to put pressure on the United* States and Israel, both of whom, Mr. Sadat felt were dragging their feet.

*In* this, he has only partly succeeded and, in fact, the move has backfired. Egypt's initial *demand that the Security Council* respond with a resolution calling explicitly for the withdrawal of Israel from Arab territory has been met with a far less fiery one and, for all the appearances of panic in the White House *and the* United Nations, the impression left is one of a somewhat hollow victory in a fight whose outcome was almost certainly fixed at the outset.

Mr. Sadat was clearly also play*ing to a home audience*, in the wider Arab sense, and the fact that he felt he needed to show how tough he can be at this crucial stage in the secret part of the negotiations for an interim settlement is probably *an indication of the degree of* opposition he faces from those, such as the Syrians and Palestinians, who remain bitterly opposed to a settlement which they believe will leave them dangerously and possibly hopelessly isolated.

It may also be interpreted, and it most probably will be, as a sign that Egypt is about to make some significant concessions in the *negotiations and* that Mr. Sadat was simply laying a smokescreen to cover himself. But, as Mr. Rabin has *shown* with a very neat sense of timing, two can play at this game. Mr. Rabin has his own problems at *home and, even* though he has considerably strengthened his position as a result of the breakdown of Dr. *Henry Kissinger's shuttle in* March, when it was he who appeared tough, he still has to tread a very delicate path if he is to negotiate an agreement which must, by definition, contain an element of Israeli concession.

How serious Mr. Rabin is when he says that the negotiations for an interim settlement in Sinai must culminate in "direct, face-to-face talks" remains to be seen, although simply saying it has done enough damage. It may be that it is simply a negotiating point raised now to be conceded *later on, in whole* or *in* part. Mr. Rabin could, for example, accept the reconvening of Geneva under the auspices of its co-sponsors, the U.S. and the Soviet Union, to finalise the agreement as face to face talks. *Or, he could scale down his* demands for a meeting of political delegations and settle for a repetition of the Kilometre *101 talks* in which field officers on both sides signed the first disengagement accord in a United Nations tent on the Suez to Cairo road.

Mr. Rabin may, on the other hand, have got himself trapped *in the familiar* see-saw of ever escalating public demands from which he will find it very difficult to back down at a later stage. Indeed, Mr. Sadat has already said that direct talks are out of the question. Such talks would *be regarded as something of* a victory for Israel in its efforts to get some form of implicit recognition from the Arabs and, in the short run, may increase the tension between Mr. Sadat and his Arab colleagues whose sup*port* be badly needs to pull off an interim settlement. And this, in itself, may work against Israel's advantage since, to upset the very carefully constructed balance of consent on the Arab front, could seriously impair Mr. Sadat's ability to make the necessary concessions.

The arguments now appear to turn on two essential points. The first is just how much of the strategic Mitla and Giddi passes which open up into the vast, flat wastelands of upper Sinai the Israelis are ready to give up. *Israeli* generals argue, with some force, that to abandon the passes altogether would leave them open to surprise attack which they would find very difficult to check once, say Egyptian armoured units had managed to *break out of the passes. The* Israelis are good learners and they no doubt remember how much damage their own tanks did once they were out in open country in the October war.

At the same time, Israel's *negotiators argue that to give up* all the passes for what will, at best, be a limited commitment of non-belligerency, would be to throw away some of their best cards without getting enough in return and that, since it is by no means *certain* that Egypt could stay out of another war even if, for example, the Syrians started one, it is best to play safe at this stage.

The proposed compromise appears to be that Israel should *withdraw from all but one mile* of the passes and that United States civilian observers should *man* a network of early warning monitoring devices in between. Presumably, the whole of the passes would be designated buffer zones and demilitarised areas.

Another problem has been Israel's persistence in trying to get an agreement which is so constructed as to freeze the situation in the area for several years—*either in the form of a* declaration of non-belligerency, which is unlikely, or by a prolonged extension of the UN mandate—and which reduces to a minimum the risk of Egypt entering another war. As an alternative to outright non-belligerency, which Mr. Sadat appears to have agreed not to give as the price for Syrian silence over an interim deal, a more vaguely worded declaration of "non-warlike intentions" may be acceptable to the Israelis.

*If*, as they appear to, the Israelis accept that there is no way in which Egypt could be irrevocably committed to non-belligerency, then the hope must be that, in the event of a war breaking out on the Golan *Heights*, a *coming agreement* would delay Egypt's entry just long enough for Israel to neutralise the Syrian front and cripple the Syrian military machine and then turn its attentions to its southern front in Sinai. Either way it is a very *fine judgment and, in the* absence of an agreement based on mutual trust, contains a high element of risk.

The real sticking point, however, must be *Israel's insistence* on there being no commitment to negotiate a further agreement with Syrians, and certainly not the Palestinians, as a precondition for a Sinai deal. "Several years to move towards peace *without* threats, without pressure" is how Mr. Rabin put it.

*The trouble about this is that* it disregards the realities of the political situation in the Arab world as well as the pressures which face, not just President Sadat, but also President Assad of Syria and the present, relatively moderate Palestinian *leadership. It is easy to see* why the Israelis want a Sinai deal with no further strings. A settlement on the Golan Heights would be far more difficult to achieve *since* the Israelis appear to be unwilling to even consider anything but a token withdrawal. And, so far as the West Bank and Gaza strip are concerned, the mere suggestion of talking to the Palestine Liberation *Organisation is enough to send* half the Israeli electorate into paroxysms of rage.

*Mr. Rabin would* argue, *of* course, that to settle in Sinai and create a long breathing space in which the more fundamental issues could be examined more dispassionately, is just what the Middle East needs. And, privately he may feel that the *Syrians are in a weak position* further weaken them, and that with Mr. Sadat so heavily dependent *now* on the U.S. Israel can do this. Equally Mr. Rabin may feel that a period of calm might just give King *Hussein of Jordan the chance he* needs to reassert his claim to the West Bank in opposition to the PLO or, even better, that the Israelis could cultivate an independent West Bank leadership which would oppose both the PLO and King Hussein. The problem is that neither President Assad nor Mr. Yassir Arafat and the moderate PLO leadership have *that sort of time to play* with. They are both under heavy pressure, Mr. Arafat from the "rejection front" and President Assad from Iraq and its Syrian acolytes and both have already come under heavy fire for appearing as conciliatory as they have done.

And, of course, it is precisely because Mr. Sadat has apparently *promised the sceptics that, this* time, he will insist on some sort of linkage between a Sinai deal and one on the Golan Heights that he has been allowed to proceed more or less unhindered. To remove that from him would be to knock down one of his chief pillars of support.

The key to Mr. Sadat's strengthened hand, however, is the change which has occurred in the attitude of the United States, with President Ford having decided that, in preparation for next year's Presidential elections, he badly needs a foreign policy success and that the *Middle East is as good a place* to make his pitch as any.

The U.S. reassessment of its Middle East policy and the outcome of the Salzburg summit between Mr. Sadat and President Ford have combined to put very *strong pressure on Israel* by threatening to impose a solution it might not like at all.

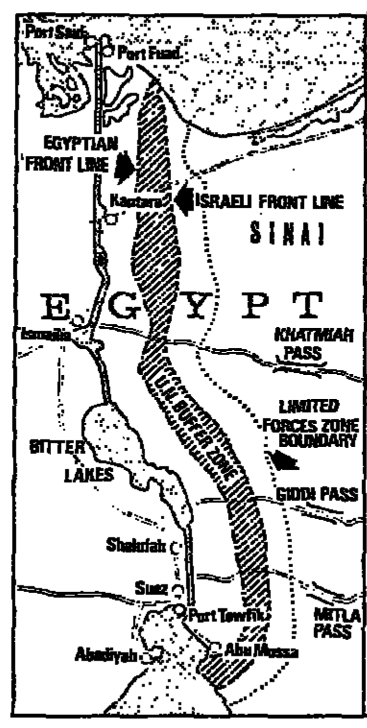
One factor which has delayed this and played to Israel's advantage is that faced with the immediate prospect of a Geneva conference which *would almost certainly* see a collapse of serious negotiations and a greater risk of war, the Arab radicals and the Soviet Union have backed down. It was a bluff and it was called by Dr. Kissinger and the result is that the U.S. has managed to retain the initiative.

There is, in fact, nothing to suggest that Dr. Kissinger faced *also with the vocal Israeli lobby* in Congress has been swayed from the belief that the best way to achieve peace in the Middle East is to take one thing at a time. Equally, Dr. Kissinger could claim that an Israeli acceptance of, say, a Security Council resolution calling for further progress towards a just and durable peace constituted an Israeli commitment to *open* talks with the Syrians.

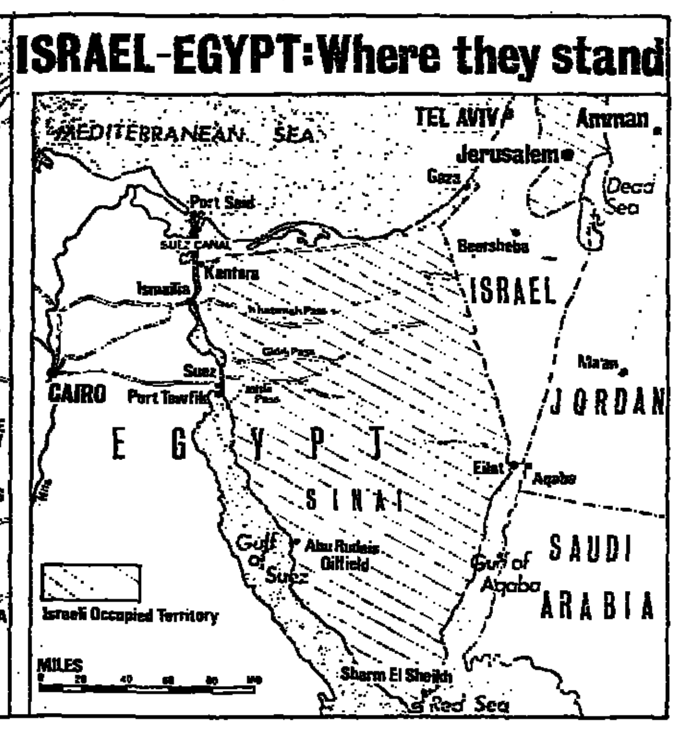
But a vague commitment of that nature is a very different matter from talking about the sort of withdrawal which President Assad is going to need to convince the hard-liners in the Ba'ath Party that he has been right to take a moderate line.

The fact remains, however, that, *ever since March*, the pressure on Israel to retreat both militarily and from its historic position has been enormous.

Israel is now faced with two alternatives. The first is to resist this pressure by hardening its position with such demands as face-to-face negotiations with Egypt and seriously endangering its vital relationship with the U.S. The second is to take a calculated risk with its security and give in to pressures which, *in the short-run may prove* politically unattractive but, in the longer-term may provide it with the peace it is looking for. The choice is clearly proving both difficult and painful and there is always the danger that it may try to avoid making it at all, but the signs are, despite the public wrangling, that it will not disregard what is, arguably, the best deal it is likely to get.









# Mandate hits snag in UN

BY OUR OWN CORRESPONDENT

UNITED NATIONS, July 24.

EGYPT TO-DAY upset the carefully worked-out formula for extending the United Nations peace-keeping mandate in the Sinai, insisting at the 11th hour on changes in the Security Council resolution.

As a result, a meeting of the 15-nation Council arranged for *this morning in the confident* expectation that the resolution agreed to last night would be adopted without further difficulty, was cancelled.

The Egyptians were believed earlier to have accepted the text *formulated in private discussions* among the Council members last night, to extend the mandate of the 3,900-man buffer force until October 24.

But this morning Dr. Esmat Abdel Meguid, their chief dele*gate, began raising objections to* the proposal that the council express only satisfaction—rather than appreciation—over Egypt's reply to the Council appeal, made on Monday, that President Anwar Sadat reconsider his earlier refusal to renew the mandate.

Some members made no secret of their impatience with this development. It was *left to the* U.S. to try to get Egypt to relent and allow the resolution to go through unchanged. But Dr. Meguid was reported adamant.

French diplomats said the semantic argument had a certain irony about it because, in the French language, satisfaction is a more precise word than appreciation.

Dr. Meguid is equally fluent in English and French and gener*ally makes his speeches in the* UN in French.

**Michael Tingay writes from Cairo:** Despite the objections to the wording of the mandate resolution at the UN, President Sadat is now concentrating on *the next stage, the interim agree*ment with Israel.

The UN Secretary-General Dr. Kurt Waldheim is due in Cairo for talks on Friday. According to reliable sources, President Sadat will try to get straight the *format under which the* UNEF will be able to "pave the way towards peace," as the Egyptians have described UNEF's secondary role. The most likely way in which this will be done is for the final details of the interim *move in Sinai to be negotiated* at military level between Israel and Egypt under UN auspicies,

Egypt has reacted quietly to the statement by Israeli Premier Yitzhak Rabin that an interim agreement would not be possible *without face-to-face talks between* the leaders.

Egypt has never sought to *contest* the case for or against direct talks. Its position has always been that the second stage withdrawal by Israel in Sinai is a military matter, as was the original disengagement. Mr. Sadat said in yesterday's televised discussion that Egypt would not negotiate directly, but through the U.S. and then at *Geneva "talking as we talk at* the UN."

**L. Daniel reports from Jerusalem:** Israeli Premier Rabin's statement last night, that the conclusion of another interim agreement with Egypt was un*thinkable without prior direct* negotiations between an Israeli and an Egyptian delegation, was described by Government sources here this morning as neither a new departure in Israel's policy, nor a new condition, let alone a last-minute obstacle to the agreement.

It would seem that there is still a wide gap between the Israeli and the Egyptian positions regarding the contents of the proposed new interim agreement. *The Israeli negotiating team*—Premier Yitzhak Rabin, Foreign Minister Yigol Allon and Defence Minister Shimon Peres—to-night had an initial session to study Egypt's reply and counter-proposals to hte Israeli map of withdrawal in Sinai. Egypt's reply, too, for the first time includes a map from which it reportedly emerges that there are still a number of important differences of opinion to be settled.

## OVERSEAS NEWS

# Tanzania, Machel join OAU boycott

BY DELLA DENMAN DAR ES SALAAM, July 24.

TANZANIA to-day joined Botswana and Zambia in publicly announcing its refusal to attend the Organisation of African Unity (OAU) summit in Kampala and in doing so is likely to incur even further the wrath of President Idi Amin.

Foreign Minister John Malecela chose a meeting of students in Dar es Salaam to explain the Tanazanian stand—a bitter denunciation of recent developments in Uganda which most African Governments in the past have been keen to overlook, at least in public.

From the purely moral point of view, the Government in Dar es Salaam said, it found the choice of Uganda to host the summit repugnant. In addition, it found wanting the attitude of African Governments which turned a blind eye to atrocities in independent African countries because they were considered an internal matter of OAU member states and therefore unmentionable.

Reuter adds: President Samora Machel of Mozambique will not attend the OAU summit because of moral and political opposition to the rule of President Amin, well-informed sources said here to-night. Also shunning the meeting will be President Kenneth Kuanda of Zambia and Prime Minister Sir Seretse *Khana of Botswana.*

John Worrall writes from Kampala: There was considerable anxiety at the OAU Foreign Ministers meeting here to-day as to whether the Angolan leaders Dr. Agostinho Neto, Mr. Holden Roberto and Dr. Jonas Savimbi would turn up at the African leaders summit next week. "No reply has been received yet from any of them," said Mr. Peter Onu, the OAU spokesman, to-day.

Bridget Bloom writes: While the Angolan liberation movement Unita is not opposed to an OAU force being sent to keep the peace in Angola, costs, political problems and the shortage of time before Angola becomes independent on November 11 probably rule it out according to *Jorge Sagumba, Foreign Minister* of Unita.

Mr. Sagumba, in a BBC African service interview, said yesterday that he had no doubt that the MPLA had started the current fighting in Angola, and that they were being heavily supported by the Russians. MPLA had been heavily rearmed with Russian and Czech weapons and armoured cars in the last few weeks.

● Light automatic rifle fire echoed through the outskirts of Luanda to-day when rival black liberation movements clashed in brief skirmishes, breaking the second ceasefire agreement in a week.

# Philippines, Thailand call to disband Seato

MANILA, July 24.

THE PHILIPPINES and Thailand agreed to-day to phase out the South East Asia Treaty Organisation (Seato), the U.S.-inspired military alliance formed two decades ago to fight Communism. *The first categorical statement on* the fate of the alliance came in a joint communique signed by Philippines President Ferdinand Marcos and Thai Prime Minister Kukrit Pramoj at the end of the Thai leader's four-day visit here.

Kukrit and Marcos "agreed in principle that the organisation should be phased out to make it accord with the new realities in the region," according to the communique. No time period was specified, but Marcos said the phasing out should be done "in accordance with the dictates of the circumstances as they occur."

The Philippines and Thailand are the only members in South-East Asia belonging to the organisation, which has its headquarters in Bangkok. Other Seato members are the U.S., Britain, Australia and New Zealand. *France and Pakistan have with*drawn and in recent years Seato had lost its military posture and its activities concentrated on civic action.

The Kukrit-Marcos communique also said foreign bases in their respective countries should be considered only as "temporary in character" and that their relations with major powers should continue to be "fruitful and based on mutuality of interests."
UPI

# Japan cash for Soviet oil search

TOKYO, July 24.

JAPAN and the Soviet Union to-day initialled a contract under which Japan will provide credits of $100m. to finance oil exploration off the Far Eastern Soviet Island of Sakhalin in exchange for the supply of crude oil and gas.

The initialling, done on the Japanese side by the Sakhalin Oil Development Co-operation Company, represents a further step towards implementation of the much-discussed Sakhalin Project. But several obstacles have to be surmounted before exploration work can actually begin. One of these concerns the role of Gulf Oil in the project, and the use of a Gulf exploration vessel in the oil search.

Gulf Oil is interested in the Sakhalin scheme and Japan is anxious for the use of equipment and experts belonging to the U.S. company in the initial phase of exploration. The Soviet Union, however, is reported to have reservations about letting the Americans in, because of security problems in the Sakhalin area.

When a general agreement on the Sakhalin Project was signed early this year it was hoped that exploration would begin in June, the earliest time at which Sakhalin weather makes exploration possible. It now seems clear that there will be a further delay before work can actually start, and there are doubts whether agreement will be finalised before the exploration season ends in October.

Sakhalin, which lies north of Japan's northernmost island of Hokkaido, is already producing onshore oil and the indications of big offshore deposits are said to be favourable.

If the scheme goes ahead, and if oil is found, Japan will receive repayment for its development credits in crude oil, getting a 50 per cent. share of *production over 10 years.* But there is still a possibility that disagreements over the role of Gulf Oil could prevent the scheme going ahead.

● The Bank of Japan is carefully examining the economic situation to determine whether further measures, including another bank rate cut, are necessary, a bank spokesman said, Reuter reports. But at present no specific plans for new measures have been drawn up.

# Ban on court challenge to Indian emergency

NEW DELHI, July 24.

THE UPPER House of India's Parliament to-day approved a Government Bill, by 164 votes to none, taking away the right of people to challenge in courts of law the Presidential proclamation of a state of emergency.

The Bill seeks to write a new clause into the Constitution to place the emergency declaration above challenge in court. It has already been approved by the Lok Sabha, the Lower House. It voted for the Government by 342 to one yesterday. Most of the Opposition groups had pulled out of the week-long session after protesting against the emergency and the arrest of Opposition politicians.

The Bill now has to be approved by 12 State legislatures before it is sent to President Fakhruddin Ali Ahmed for signature. The Congress Party is in control of most of the 22 state governments.
Reuter

# Australian loan '$8bn.'

HONG KONG, July 24.

MR. ARJAN Bhojwani, a Hong Kong financier, said at least $8bn. had been involved in an Australian Government loan-raising scandal — double the amount previously reported.

Mr. Bhojwani said in an interview published to-day by the South China Morning Post that he had handled two separate loan-raising projects for the Australian Government. Earlier reports indicated the secret deal involved $4bn., but Mr. Bhojwani said: "There were definitely two projects. They were for $4bn. each."

Australian Senate investigations into the abortive attempt to raise funds for investment in the country's mineral resources have been consistently blocked by a Government clamp-down on information. The affair was directly responsible for the sacking of Dr. James Cairns as deputy Prime Minister, Treasurer and subsequently Environment Minister earlier this year.
Reuter

## FT CONFERENCE ON EUROPE AFTER THE REFERENDUM

# Two communities, warns Thomson

BY GILES MERRITT DUBLIN, July 24.

A WARNING that Europe is to-day divided into two communities—one prosperous, the other under-privileged — was issued here when Mr. George Thomson, EEC Commissioner for Regional Development, addressed the second and concluding day of a conference on Europe after the Referendum organised by the Financial Times, the Irish Times and Berlinske Tidende.

"The truth is," he said, "that in Europe to-day the under-privileged periphery is spreading. *It is stretching* out tentacles into the pools of poverty which are growing in the Community's prosperous heartland."

He went on to say: "Our kind of society in Western Europe is on trial, and it is against this background—which I do not believe I have over-dramatised—that the significance of the Community's regional and social programme should be seen."

But Mr. Thomson added that the Community's £540m. Regional Development Fund for 1975-77 have been set-up in spite of particular economic difficulties. "This augurs well for the future," he said, "and I am confident it will be succeeded by a subsequent and much larger fund."

On the question of Community social policy, Dr. Patrick Hillery, Vice-President of the Commission, told the conference that while social policy as such had found little place in the treaties that set up Common Market economic communities, the period of growth associated with the first years of the Community have helped the Social Ministers to achieve a revolution in social progress.

A prediction that the Green *Pound will be devalued a further* two times in the next 12 months was made by Sir James Barker, Chairman of Unigate. In answer to a question from the audience Sir James, who had previously delivered a paper on Community Agricultural Policy and the consumer, stated that the Green Pound "was a thoroughly artificial device," which could not be accepted indefinitely. The devaluation this week of the Green Pound, he said, was only a third of what it should have been.

The conference's lunchtime speaker, Ambassador Joseph F. Greenwald, head of the U.S. Mission to the Community, stressed the continuing high level of U.S. support for the strengthening of the EEC.

The need for close transatlantic co-operation was also a theme of Fiat Chairman Sig. Giovanni Agnelli's assessment of business in the EEC. Sig. Agnelli was unable to attend the conference himself, but his paper, read by Dr. Brasca, stated: "The most important thing for the EEC is to avoid the rift of becoming a medium-long-term no-man's land between the highly developed U.S. economy and the highly-competitive low-cost products of the emerging countries."

Dismissing the view that there exists a uniform investment climate within the Community — which highlighted just how far away economic and monetary union still are — Deutsche Bank managing director Dr. Hans Leibkutsch said that it was impossible to predict economic recovery and an investment upswing with any certainty for individual member countries.

The conference's lunchtime session was chaired by Ireland's Prime Minister, Mr. Liam Cosgrave, and Ireland's Labour Minister, Mr. Michael O'Leary, *later spoke on the "European experience of voluntary incomes policy."*

EUROPEAN NEWS

# Mystery over detail of French-Saudi $1.75bn. credit deal

BY RUPERT CORNWELL

PARIS, July 24.

FRANCE to-day signed a wide-ranging "charter of co-operation" with Saudi Arabia. At the same time top officials on both sides confirmed that the Saudis are engaged in negotiations to extend a credit of up to Frs.8bn. ($1.75bn.) to Paris.

After signature of the agreement by the French Prime Minister M. Jacques Chirac and Crown Prince Fahd of Saudi Arabia, the French Finance Minister M. Jean Pierre Fourcade confirmed that the sum involved could be larger than the $1bn. talked about yesterday.

According to M. Fourcade, agreement in principle had already been reached, with the credit running over a period of seven to 10 years, at a fixed rate of interest. Details would be finalised soon, he said, giving rise to speculation that things might be settled by October when French Ministers are due in Jeddah to sign specific economic and industrial deals between the two countries.

The charter itself is the familiar document of such occasions, full of resounding intentions for co-operation in economic, financial, industrial and energy affairs. A mixed commission has been set up to supervise progress, presided over by the two respective Foreign Ministers.

Details are however singularly hard to come by, and it is only when firm contracts are signed for the supply by French industry of equipment such as desalination plants, transport systems, nuclear power stations and the like (as it is rumoured) that the success of France in breaking into the lucrative Saudi market will properly be judged.

It is also not entirely easy to see the purpose of the new loan, should it go through. Unlike a year ago, when the Bank of France received a $1bn. advance from Iran for the supply of industrial goods, the country has a comfortable payments position, and little immediate need of foreign currency.

The mystery has been if anything heightened by the unscheduled extra talks between Crown Prince Fahd and President Valery Giscard d'Estaing to-day.

## Advance

While the most probable explanation is that the credit will be an advance for goods to be supplied, there are some grounds for supposing that the money might in part be a down payment for French help in starting the proposed Arab arms industry, by which Saudi Arabia would finance weapons production for Middle East Arab states.

Later this evening Finance Ministry officials said the loan proceeds would be used to finance French Government spending, especially in the telecommunications and electricty fields.

Given the French intention to pump cash shortly through the public sector to revive the economy this new source of funds could be useful in reducing any budget deficit in 1975 and 1976—something that would follow the long-standing preference of the French for strict fiscal orthodoxy.

# Commission wants reflation, except in U.K., Ireland

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSELS, July 24.

THE BRUSSELS Commission to-day called on all the EEC countries except Britain and Ireland to take new, co-ordinated reflationary measures that should start to have "a discernible effect" in the autumn.

The greatest stimulus should be undertaken by countries in which balance of payments, price and public finance positions were healthiest.

Following last week's EEC "summit" here, at which West Germany, France and the Netherlands announced their intention of taking new reflationary measures, the Commission to-day said Belgium and Luxembourg should also reflate and, "to a lesser extent," Italy and Denmark.

The measures adopted should be aimed at reducing unemployment and should as far as possible be capable of reversal so as not to jeopardise the future equilibrium of public finance, the Commission said. Different countries could take different types of action, which might take the following forms:

1—Stimulating public sector orders, particularly by accelerating existing investment programmes in construction, transport and communications, protection of the environment and social infrastructure. New investments could also be made in housing and urban development, and by financial support for local authority programmes.

2—Encouragement of private consumption, particularly by improving the financial situation of the poorest groups, easing consumer credit and encouraging spending in the public interest, for example on energy-saving.

3—Support for private investment, "notably through re-establishment of an adequate margin for auto-financing and through running an agreed policy of moderate interest rates."

The measures should be co-ordinated both in time and content and should aim at fighting recession and unemployment without provoking renewed inflation, the Commission said. One of the main objectives should be to restore confidence among both consumers and private companies, which would necessarily mean stronger collaboration between both sides of industry and between member governments.

The EEC countries should also co-operate more closely with their most important trading partners so as to reanimate world trade and stabilise the international monetary situation, the Commission said. Equally, the Community should play a constructive role in current negotiations in Gatt and the IMF, and in discussions with raw material producing countries.

"In this respect, it appears important to aid the developing countries most affected by the oil crisis and by the world recession by financing their serious balance of payments deficits," the Commission said.

The Commission's recommendations are a direct outcome of the Brussels "summit," at which the Nine heads of government agreed that the current recession was more serious and longer-lasting than anyone had originally foreseen. They are also in line with the views of the U.K. Government, which has constantly urged in recent months that the other EEC countries reflate more strongly.

# Greek law to deal with riots

By Our Own Correspondent

ATHENS, July 24.

THE GOVERNMENT of Premier Constantine Karamanlis to-day announced tough measures to deal with riots.

A statement issued after an emergency meeting of the inner-Cabinet said that until the end of September the organisers of any unauthorised open-air mass rally will be severely punished. Persons participating in such rallies and even newspapers publicising them will also be prosecuted.

The statement said that the measures were being taken after investigations into yesterday's rioting in Athens provided evidence that extremist elements will attempt to create a climate of anarchy during the trials of members of the fallen military junta.

Yesterday's clashes injured 111 people, including 63 policemen, and caused considerable damage to police cars, fire engines, private cars and shops, the statement said.

The statement said that 120 people were arrested during yesterday's rioting. Fifteen of them, against whom there was concrete proof that they had taken part in the violence which turned the centre of the capital into a battlefield, would be tried to-morrow. Investigations would continue to assess the responsibility of the other 105 held.

The statement said that only 27 of those arrested were building workers, showing that the mass rally organised by a group of building workers in spite of objections from their union was infiltrated by various Left-wing extremist forces such as the Marxist and Leninist Organisation of Greece and by former military policemen still supporting the deposed junta.

The strong police forces that guarded public buildings and foreign embassies overnight were to-day withdrawn to more discreet positions so as not to mar the celebrations for the first anniversary of the restoration of democratic rule after seven years of military dictatorship. The celebrations ended with a big mas rally at Athens stadium attended by President Constantine Tsatsos and Premier Karamanlis.

# Corporation tax harmonisation

BY DAVID CURRY

BRUSSELS, July 24.

IN AN attempt to put steam behind the Community's stalled move towards economic and monetary union, the Brussels Commission has unveiled an action programme for tax harmonisation and has produced concrete proposals to harmonise corporation tax.

The programme consists essentially of reformulating proposals which the Council has had before it for some time, designed to create a more uniform fiscal structure throughout the EEC. The corporation tax proposal is new, though the Commission's thoughts were already fairly well defined on this matter by the end of 1973.

The Commission is proposing that corporation tax should be harmonised on the basis of the partial imputation system which now operates in various forms in the U.K., France, Belgium and Ireland. This allows some of the tax paid by companies to be imputed to the ultimate shareholder in the form of a tax credit.

In its statement the Commission states that the lack of harmonisation in this area inhibits free capital flows in the Community and makes competition on an equal basis difficult. It also notes that harmonisation of the imputation system would make it easier to move forward to harmonisation of actual rates of corporation tax—for which the Commission is suggesting a 45 per cent. to 55 per cent.

The Commission acknowledges the difficulties such harmonisation would entail, but thinks that it has found ways round them. The Council of Ministers will certainly require convincing that this is the case, because the system requires a complex mechanism of fiscal compensation between States: the principle of the technique is that the country which collects tax from the company should bear responsibility for financing private credit.

While Britain operates an imputation system, the present U.K. Government is on record as favouring the "classical" system of taxing company profits and shareholders' earnings in two separate operations on the grounds that this encourages companies to devote earnings to investment rather than to distribution. Italy, which holds the Presidency now, and Luxembourg and Holland who are next in line, all operate the classical system.

The Commission's proposal also aims to harmonise withholding taxes. A figure of 25 per cent. is mentioned. This proposal is also likely to have a difficult passage, with Luxembourg in particular, whose existence as a financial centre leans heavily on the absence of withholding tax, hardly likely to give the proposal a warm welcome.

The Commission's action programme which is clearly hoping to take advantage of Italy's stated desire to make progress in the fiscal field during its Presidency, will urge the Council to act on already familiar proposals designed to achieve a more uniform tax structure throughout the EEC. The second stage of the programme would eventually aim at harmonising actual rates.

In particular the Commission wants progress on establishing a uniform basis for VAT. This would facilitate the financing of the Community from its own resources since one of the "resources" of the EEC is the allocation of a sum equivalent to levying a rate of up to 1 per cent. of VAT.

## YUGOSLAV PACT TO BE EXPANDED

By Our Own Correspondent

BRUSSELS, July 24.

YUGOSLAVIA and the EEC to-day agreed to expand their existing trade agreement to include wider forms of economic and commercial co-operation in a move that both sides stressed was of considerable political importance. Yugoslavia is the only East European country to have an EEC trade agreement.

# Social Fund spending may be increased by 20-25%

BY OUR OWN CORRESPONDENT

BRUSSELS, July 24.

SPENDING by the EEC Social Fund should increase at an average annual rate of between 20 and 25 per cent. during the next few years, the Brussels Commission said here to-day. This would raise the fund's total budget for areas where it is already operating from 355m. units of account (£148m.) this year to between 545m. and 600m. u.a. by 1978.

In its annual report on the fund, the Commission said that such a rate of increase would stabilise fund spending at its current level of between 5 and 10 per cent. of the Nine's public expenditure on vocational training. The fund could thus exercise a considerable stimulating influence on training policies if properly guided, the Commission said.

The report showed that the U.K., with receipts of 120m. u.a. (£50m.), had acquired a little more than 25 per cent. of fund spending since January 1 this year for operations carried out in the three previous years. Italy received the most, with a little more than 26 per cent., France received a little more than 20 per cent. and West Germany a little more than 12 per cent.

Answering European Parliament criticisms that the fund had not helped much to promote a Community-wide employment policy, the Commission said it had to operate under a number of constraints. These were limited resources, the fact that only national Governments could apply for aid, and "the legal, material and psychological limits encountered by the Commission in its efforts to co-ordinate employment policy at Community level."

## Sweden will host Socialists

By William Dullforce

STOCKHOLM, July 24.

SWEDISH Prime Minister Olof Palme has invited 10 European social-democrat leaders, including British Prime Minister Harold Wilson, to a meeting in Stockholm on August 2, the day after the European Security Conference "Summit." The presence of Portuguese Socialist leader Mario Soares will give social-democrat leaders first hand information on the situation there and possibly allow them to agree on a common policy.



# Portuguese rulers in vital talks

By Jane Bergerol

LISBON, July 24.

PORTUGUESE President Costa Gomes continued to-day to prepare the ground for his plan for strong rule and a firm revolutionary line in Portugal as Army officers met in general assembly to seek unity before to-morrow's Armed Forces Movement general assembly meeting of Army, Navy and Air Force.

To-morrow's meeting of 240 officers is expected to be asked to endorse the mandate of President Costa Gomes, Prime Minister Vasco Gonçlaves and Copcon's commander, General Otelo Saraiva de Carvalho, to bring authority to Government and to press ahead with the revolution in spite of opposition from the Socialist and Popular Democrat parties.

However, to-day's meeting is regarded as crucial, since whereas the Navy is united behind Left-wing officers and Prime Minister Conçalves, the army is still wavering. Leading moderates on the Supreme Revolutionary Council were reportedly planning a strong attack on the Prime Minister in the assembly in a final effort to obtain his resignation.

The Air Force, a minority in the general assembly and tending towards the Centre-Right, would be powerless to reverse a united majority of Navy and Army officers, particularly in an assembly being presented with the brutal political choice of going forward with the revolution or turning back to a Rightist dictatorship—what the Armed Forces Movement is presenting as the two alternatives facing Portugal to-day.

# Piccoli is backed for leadership

By Anthony Robinson

ROME, July 24.

THE DETERMINATION of the Doroteo faction of the Christian Democrat Party to have one of their members at party secretary, at least during the run-up to the party congress in the autumn, has led them to remain together in proposing Sig. Falaminio Piccoli for the post vacated on Tuesday night by Sig Amintore Fanfani. The Doroteo faction, although riddled with internal rivalries, is the party's largest single faction and its support is necessary for any successful candidate.

Sig. Piccoli originally planned to address the party's National Council meeting this morning. But uncertainty over the amount of support he could rely on forced him to postpone his candidature speech to this evening.

Earlier, he met Prime Minister Aldo Moro, reportedly to reassure him that he would support Sig. Moro in his efforts to keep the present two-party coalition Government in being until the Christian Democrat and Socialist Party congresses in the autumn.

The general impression to emerge from the frenetic series of meetings in party headquarters is that whoever emerges as leader of the party will probably be only a temporary holder of the post.

The real battle for control will take place at the party congress.

HOME NEWS

# MLR rise may not last long, brokers forecast

BY MARGARET REID

A LEADING firm of stockbrokers forecast yesterday that U.S. short-term interest rates will soon fall, with the result that the expected rise to-day in the Bank of England minimum lending rate need not be maintained very long.

If this view is widely shared the new Government tap stock, which is looked for very shortly, possibly this afternoon to replace that almost sold out on offer last week, would be launched in an atmosphere not too chilled by a rise in MLR.

In their latest monetary bulletin, stockbrokers W. Greenwell, whose views on the fixed-interest market are closely followed, say: "Our guess is that the current rise in U.S. interest rates is virtually over. We expect U.S. short-term interest rates to be falling once again before many weeks have passed."

Greenwell's forecast came only shortly before a confirmatory strong hint was delivered in Washington by Dr. Arthur Burns, chairman of the U.S. Federal Reserve, that the Federal's moves to tighten credit would not last long (see Page 4). Dr. Burns added that no inference should be drawn that they had embarked on a policy to raise interest rates.

In London it has been widely expected that the minimum lending rate — present version of the old Bank rate — will rise sharply to-day from its 10 per cent. level. This would be to keep British short-term interest rates appropriately above American ones to protect the external position of sterling.

Greenwell imply that, as declines are looked for before long in the current level of U.S. short rates, the British MLR need not be held at its expected higher level for any great time.

In their analysis, Greenwell say that, while a growth rate of 7-9½ per cent. had been considered appropriate in the U.S. money supply on its narrower definition (M1) in May-June, the rate proved to be about 15 per cent., which led the Fed to hoist interest rates to curb the increase.

Dr. Burns confirmed yesterday that the M1 growth rate had been a closely similar 14¼ per cent. in these months, a pace of expansion which it had not been possible to tolerate.

But the inference to be drawn from his remarks was that special factors, including tax rebates and social security bonuses, had underlain this high growth, so that the rate of expansion might well not endure, and continued high interest rates might not be required.

Dealing with the British situation Greenwell warned that the financial deficit of the public sector, the "borrowing requirement," now estimated at £9bn., is at its preset level operating strongly in an economy boosting role.

This, moreover, is only modestly offset by the now much-reduced balance of payments deficit, at a yearly rate of only £1bn. in the first quarter of 1975, they add.

"If the financial deficit of the public and overseas sectors continues at its current record level, as inflation slows over the short run in response to the prices and incomes policy, the financial deficit of the public and overseas sectors will become a very powerful expansionary force," the brokers say.

# Cabinet 'often teased Crossman'

THE PRACTICE of former Cabinet Ministers using highly confidential documents to write their life stories was attacked in the High Court yesterday by Lord Butler, the Tory statesman who became Master of Trinity, Cambridge, when he retired from political life.

The court was told that the late Mr. Richard Crossman, when he was in the Labour Cabinet, had made no secret of the fact that he kept a diary which he intended to publish, and colleagues often used to tease him about it.

These disclosures in the legal battle over Cabinet secrets came during the third day of the case in which the Attorney-General, Mr. Sam Silkin, QC, is trying to stop book publication of the diaries kept by Mr. Crossman even though extracts have been serialised in the Sunday Times.

Sir John Hunt, the Cabinet Secretary, who has given evidence objecting to the disclosures in the diaries in their present form, was reminded that Mr. Wilson had written a book on the Labour Government covering the same period.

Sir John said that there had been suggestions during the case that Mr. Wilson might have twice departed from the normal conventions of Cabinet secrecy in his book.

The Prime Minister had authorised him now to make it clear that in both cases this only happened as at the time the Cabinet had agreed to public disclosures being made about its decisions.

"So Mr. Wilson felt it was right for him to deal with these events, one of which concerned the arms for South Africa controversy, more fully in his book than would have otherwise been the case."

Lord Widgery, the Lord Chief Justice, said: "I do not think we should hear what Mr. Wilson says at second hand."

Mr. Silkin suggested that his questions were within the limits of the rules of evidence, so the judge allowed him to go on briefly with the issue.

Sir John then explained that if he had been Cabinet Secretary at the time Mr. Wilson's book was published he felt he would not have taken any objection to the two passages that had been alluded to in that book.

Mr. Silkin read a letter to the Treasury Solicitor in which Lord Butler declared: "I strongly believe in the application of the 30-year rule to Cabinet papers, and would prefer a 50-year rule. I have known certain Ministers who have had possession of Cabinet papers which enabled them to write their memoirs and I believe that in a few cases this practice still goes on. I believe this is totally wrong. The motive is often for monetary gain and I sincerely hope that this immoral and unjustifiable practice can be stopped."

Mr. Richard Kelly, who was called by the Attorney-General, said he was literary assistant for many years to Sir Winston Churchill, who was very careful in his book on the Second World War not to describe Cabinet meetings in detail.

Then the defendants, through Mr. James Comyn, QC, counsel for the Sunday Times, produced affidavits from more than a dozen people who take the view that the dairies should be published.

# Nearly half Leyland investors to stay in

By Terry Dodsworth

ABOUT 110,000 shareholders in British Leyland, almost half its registered investors, have chosen to remain with the company rather than accept the Government offer for their shares.

Most have relatively small stakes. Even so, they represent about 130m. shares, 22 per cent. of the equity.

Virtually all the large institutional shareholders, who between them also represented about 20 per cent. of the shares, have accepted the Government offer of 10p a share.

The Government stake, now 78 per cent., will ultimately depend on the number of shareholders who take up the rights issue planned. As underwriter, the Government will subscribe for the unwanted rights.

On Monday the Scheme of Arrangement for reconstructing the company goes before the High Court. If the court decides that the scheme is legally sound the way is clear for forming the new Government - controlled British Leyland.

# Car production at a low level in June

Car production remained at a low level last month, despite a recovery from the May figure.

A total of 109,440 vehicles were made in the five weeks to June 28, a third lower than in June 1974, although 37,000 more than in May when production was disrupted by strikes. In the first six months of 1975 car output was 19 per cent. below that in the first half of 1974.

While export production has held up well, staying steadily at about 50,000 vehicles a month this year, the severe fall in demand in the U.K. continues to take its toll. On a seasonally adjusted basis, car production has fallen by 25 per cent. between the first and second quarters of this year.

# Crazy dreams

PEOPLE were paying "almost crazy" prices for country cottages in Scotland, mainly in pursuit of a dream second home, the Scottish branch of the Royal Institute of Chartered Surveyors said yesterday. People were prepared to buy cottages which a valuer "could describe in constructional terms only as utter rubbish."

BACKING FOR CHANCELLOR'S WAR AGAINST INFLATION

# 'Lull before wages storm' warning by prices chief

BY ELINOR GOODMAN

THE CHANCELLOR could hardly have looked for more emphatic backing for his action against inflation announced two weeks ago than the detailed evidence included in the Price Commission's latest quarterly report.

The 110-page report, published yesterday, but sent to the Secretary for Prices on the eve of the Chancellor's statement, says that Britain is enjoying a "breathing space" in the war against inflation.

But it adds that this interlude could be nothing more than the calm before another even rougher storm without a reduction in the rate of wage settlements.

"We cannot emphasise too strongly that this is only a breathing space. If we do not take advantage of it to put our house in order then, as sure as night follows day, 30 per cent. rises in labour cost will be followed by 30 per cent rises in prices," the report says bleakly.

## An oracle

Taken with the next paragraph, the Price Commission's words read like the oracle of Delphi's advice to the Greeks that a great empire would be lost: "But equally if we do use the breathing space to good advantage and if the rate of increase in labour costs is reduced—and reduced sharply—the rate of inflation will be reduced also. If this reduction in the rate of inflation is followed by a further reduction in the rate of pay settlements, prices increased will be reduced still further."

Now that commodity prices were stable and even falling, "the responsibility for inflation rests entirely upon our own shoulders. So too does the responsibility for the rising level of unemployment which is a reflection of inflation. The tide can be turned. But time is short."

Not all the predictions, however, are so comforting, even in the light of the Chancellor's statement.

Sir Arthur Cockfield, chairman of the Commission, forecasts that the present lull in inflationary pressures, as monitored in the Commission's own index as well as the Wholesale Price Index, will result in a brief summer dip in the monthly rate of inflation but that this will be inevitably followed by another upsurge as the recent round of high wage settlements take their toll on the Index.

Only when these have worked their way through will Mr. Healey's policy have a chance to prove itself.

The present "breathing space," which is illustrated by the fact that the Commission's own index of notified price applications has dropped from 7½ per cent. in the three months to February to 2¼ per cent. for the three months to May, is the result of a number of factors, says the report.

The 7½ per cent. figure was itself artificially inflated by the bunching of price applications resulting from the oil price rises. But more important, in the three months to May, manufacturers were able to offset higher wage costs by the reduction in commodity prices and, to some extent, a squeeze on profit margins.

Emphasising the temporary nature of the "breathing space," the Commision says there is no justification for hoping that these factors will continue to offset the impact of higher wage costs.

Commodity prices cannot be expected to go on falling, while profit margin cannot be squeezed much further without putting employment and investment at risk.

## Safeguards

Profit margins among the companies which have to notify their price increases to the Commission, are now only a little above 50 per cent. of their reference levels with margins in the food and drink sector now standing at only 34 per cent. of their ceilings.

"It is possible to squeeze profits in this way for a very limited period of time," the report says, "but if the squeeze continues too long or if it becomes too intense, the inevitable result is a contraction in activity a fall in employment and a reduction in investment."

With the notable exception of food and drink companies, average profit margins among Britain's biggest companies have, in fact, increased marginally since the fourth quarter of last year, according to the Commission's figures.

Indeed, looked at over the last five quarters, there is a suggestion that companies are now using the safeguards built into the price code more effectively and that the drop in profits is now flattening out.

Standing at a high of 76.4 per cent. in their reference levels in the first quarter of last year, they have come down through 71.2 per cent., in the second and 52.4 per cent. in third to 50.3 per cent. in fourth quarter of last year. Now they are standing at 51.2 per cent.

Even so, the fact that margins are still only half of their reference levels indicates that competitive pressures are keeping some companies from using the safeguard.

The investment provision, which has been made progressively more generous over the last two years, does not appear to be attracting considerable interest among big companies with £1.517bn. worth of new investment now notified to the Price Commission. But if the profit margins of large companies as a whole have not been further reduced, some sectors have suffered.

*Price Commission Report for the period March 1 to May 31, 1975; £1.55.*

# NCB pulls round into profit, but Ezra calls for 5% rise on output

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE NATIONAL Coal Board turned an operating loss of £112.3m. into an operating profit of £33.8m. in the year to March 29. Sir Derek Ezra, chairman, says in the annual report that the turnround was even greater than these figures suggest.

Last year, Government grants received by the NCB were reduced from £130.1m. to £68.2m. and £16m. was charged from revenue to the fund set up to compensate past sufferers from pneumonconiosis.

Sir Derek says that the NCB achieved the three objectives it set itself in October last year—to avoid a coal shortage in the winter, to try to settle the miners' wage claim on a reasonable basis through negotiations, and to recover the financial position and achieve viability.

"While the prospects for the industry are now better, it will be a challenging task for all in the industry to seize the new opportunities. There will undoubtedly be problems, not the least the fact that through last year's coal price increases the competitive advantage over oil has very largely been eroded.

"If the industry is to maintain its viable position in 1975-76 major savings will have to be achieved through greater efficiency."

For this reason the Board had launched a further initiative with the objective of securing at least a 5 per cent. increase in productivity over last year and corresponding savings in unit costs.

This initiative had been fully supported by the unions.

Overall output a man shift last year rose from 42.3 cwts. to 45 cwts. A 5 per cent. increase would mean lifting that to 47.2 cwts. a man shift.

Coal output in deep mines rose from 97.1m. tons to 115m. tons. But the objective had been 120m. tons. Sales advanced from 111m. tons to 128m. tons.

Ten collieries were closed as the result of exhaustion of economic reserves and three colliery mergers took place, leaving 246 in operation at the year end.

Manpower increased for the first time in 17 years—by 6,200 to 248,000. For the future, selectivity of recruitment and effective deployment of available manpower would be of great importance.

The number of fatalities fel to 56, the lowest on record.

Capital investment in collieries increased from £64m. to £102m. while capital expenditure on projects costing over £250,000 rose from £7.75m. to £21.5m.

These increases reflected the quickening programme of investment to stabilise the industry under the Plan for Coal produced after tripartite discussions about the long-term future and which has "re-established the growth potential of the industry after nearly 20 years of uncertainty and decline."

Substantial progress was made with implementing the "Plan." Of the 80 main projects, 22 had been authorised by the end of the financial year and, on completion, these would produce about another 9m. tons a year of the 42m. tons in the "Plan."

At the end of the year, work involving a total expenditure of £110m. on major projects was in progress.

The operating profit last year was made up of £3.5m. from mining (a £126.9m. loss occurred in the previous year), £7.7m. from NCB (Ancilliaries) (£6.6m. profit) and £22.6m. from NCB (Coal Products) (£7.7m. profit).

Coal consumption in the U.K. was 125m. tons, of which 71m. tons was taken by power stations (70m. tons in previous year), 20m. tons to coke ovens (19m.), 11m. tons to industry (11m.), 14m. tons to the domestic market (13m.) and 8m. tons elsewhere (7m.).

Exports held steady at 2m. tons.

NCB RESULTS

£ million

| | 74-75 | 73-74 |
|---|---|---|
| Turnover | 1,589.6 | 913.6 |
| Profit (loss) before tax | 33.8 | (112.3) |
| Total surplus (deficit) | — | (130.7) |
| Special Government Grant | | |

# British Rail reports £157.8m. operating loss

BY ARTHUR SMITH

BRITISH RAIL reported an operating loss last year of £97m., but after the payment of interest and other financing charges amounting to £71.9m., the deficit mounted to £157.8m.

However, the total level of public subsidy through central government and local authority grant was nearly £400m. Passenger grants totalled £154.3m. and a special Government grant to meet the cash flow shortfall provided a further £215m.

A research grant of £1.8m. and an infrastructure contribution of £23.5m. took the total to £394.6m.

The BR report says that as the economic storm clouds gathered last year each of the Board's activities felt the impact of the nation's problems.

British Transport Hotels, with some 50,000 fewer visitors than in 1973, made a reduced profit. Property activities "for a long time the largest contributor to the Board's funds, suffered its first serious setback for very many years," and the report says that new taxation proposed by the Government is likely to reduce the income from this source still further.

In railway activities more than £18m. was lost by industrial action. "But far more important than the money was the goodwill forfeited from customers, who all too often in recent years have suffered serious hardship as the result of industrial action."

The report says that because of BR's particular mixture of costs — especially manpower which accounted for 65 per cent. of the £576m. costs, and steel and oil prices—the railway rate of inflation was considerably higher than the retail price index.

The situation came to a head last year when the price restraints of 1972 and 1973 caught up with BR. "In 1972 costs rose by 10 per cent. and we were allowed to increase prices by 8 per cent. In 1973 costs rose by 6 per cent., we were allowed to increase prices by 3 per cent.

"In November 1974, the Chancellor gave the railway freedom to price up, but by that time the market could not take the increase needed. The result: costs rose by 33 per cent. and we were able to increase prices by 16 per cent."

It was easy to see the result of holding prices below costs at a time of accelerating inflation, the report adds.

Although increased Government support seemed large, the grant figures were contained until last year—when price restraint policies began to bite.

"All this may give customers little comfort—but it may help them to understand why they face such large increases this year."

In spite of the problems, receipts from the passenger business amounted to £329m.—a 10 per cent. increase. Traffic was at its highest level for 10 years and the Inter-City services earned £148m. Freight tonnage, however, dropped by almost 15m. tonnes due to the recession.

FINANCIAL SUMMARY

| | 1974 | 1973 |
|---|---|---|
| Total income (including passenger grants) | £926.5m. | £795.0m. |
| Expenditure (before depreciation amortisation and interest) | £959.0m. | £734.7m. |
| Provisions for depreciation and amortisation | £53.4m. | £54.6m. |
| Operating profit after depreciation and amortisation but before interest | —£85.9m. | £5.7m. |
| Interest and other financing charges | £71.9m. | £57.3m. |
| Balance | —£157.8m. | —£51.6m. |

# Engineering orders show further fall

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE recession was biting hard in the U.K. engineering industry by April this year, and that month showed a further substantial fall in the intake of orders from both the home and export markets.

It was the tenth successive month that new orders showed a decline and, as a result, the industry's orders-on-hand fell by a further 7.5 per cent. during the three months to the end of April.

According to Department of Industry statistics in "Trade and Industry" magazine, new orders from the home market slipped another 6.5 per cent. between January and April.

They were already at a very low level because the order intake from the home market in the first quarter was close to the lowest level recorded since the present engineering indices were started in 1969.

With the recent inflow 20 per cent. below home sales, home orders-on-hand on a seasonally adjusted basis, fell by 9 per cent. between January and April.

The volume of export new orders received during the three months February to April was 4.5 per cent. lower than in the previous three-month period.

Following a further general decline from their high level at the end of 1973, the further fall in export new orders has brought these to a level 15 per cent. below the volume of sales.

As a result, export orders-on-hand have fallen back by a further 5.5 per cent.

So far this year there has been no sign of a recovery in the order intake, particularly from the U.K. Earlier this week the mechanical engineering "Little Neddy," in its latest short-term trends report, said that the depth of the recession was already as low as that reached in the previous two "troughs" in the demand cycle. And the industry feels that there is still some way to go before the bottom.

# IN BRIEF

## Nuisance money

Shetland Fishermen's Association received a cheque for £45,000 from British Petroleum to compensate for the nuisance the oil men will cause as they lay their pipeline from Shetland to the Ninian Field.

## Minerals search

Government assistance amounting to £1.4m. has been approved for mineral exploration projects in Britain since 1972, the Department of Industry said. It covered 30 companies in 126 areas.

## £2m. expansion

Sterling Moulding Materials, a division of the United Sterling Corporation, is expanding its range of thermosetting plastics products as part of a £2m. programme. This includes developing the Whitelands Mill plant at Ashton-under-Lyne.

## TV row appeal

The House of Lords reserved judgment in the appeal by three television hire firms over some £2¼m. alleged to be owed by them in VAT. The companies are Thorn Electrical Industries, British Relay and Visionhire.

## 130 to lose jobs

Bentley Engineering Company, the Leicester-based knitting machinery builder and part of the Sears Holdings Group, is to make 130 employees redundant at their New Bridge Street and Parker Drive factories to reduce overheads.

## 'Press in peril'

Freedom of the Press has never, except in wartime, been in such peril as it is at the moment, Mr. Larry Lamb, editorial director of the Sun newspaper, told a symposium of the Institute of Journalists.

## Earth-movers sold

An auction of earth-moving machines at Chudleigh, near Exeter, realised a total of over £150,000. Top price was £16,250 for a crawler loader.

## Postal rise probe

The Post Office Users' National Council is calling for an inquiry into the recent announcement of increased postal charges after widespread "unrest and criticism" from the public.



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## HOME NEWS

# Bid to give Hull industry oil spin-off

By Ray Dafter

A NEW marketing company has been set up in Hull in a bid to win more North Sea oil business for companies based in the area.

The company, Hull Offshore Services, will act on a co-operative basis to serve a variety of business involved in the off-shore supplies sector.

The venture is the culmination of discussions between representatives of local industries, Hull Chamber of Industry and Commerce and Hull City Council's department of industrial development.

### Stepping stone

Mr. Barrington Thorpe, acting chairman of the new company and managing director of Hedon Engineering and Construction Company, said: "This could be the first stepping stone in getting Hull on to a footing similar to that of Aberdeen, Teesside and Tyneside if we are prepared to work and produce deliveries on time.

"After all, we have the river, the labour and the expertise."

HOS will be a mutual company limited by guarantee, each member company having an equal financial stake and a say in its running through a two-tier management structure. Executives are to be appointed to sell goods and services to the North Sea oil consortia. HOS, in return, will be paid a commission on work received.

About 40 companies in Hull are working on off-shore related contracts. They include the Drypool Shipbuilding Group which is specialising in building off-shore supply vessels; Northern Divers (Maritime); United Towing Company; Priestman Brothers which make oil rig cranes.

Other companies make desalination plant, engineering and electrical equipment, towing gear and other exploration and development materials.

# Further setback faces Brent oilfield work

BY CHRIS BAUR, SCOTTISH CORRESPONDENT IN GLASGOW

SHELL-ESSO faces another setback in the development of its big Brent oilfield north-east of Shetland because of delays preventing installation this summer of its first production platform, being built at Methil, Fife.

The Brent "A" steel platform jacket was due in May from the builders, Redpath, Dorman, Long (North Sea), a subsidiary of the British Steel Corporation. But it was found the structure could not be floated out of the yard until the end of this month.

### Jib wreck

Later, in an accident at the yard, a crane jib collapsed, wrecking scaffolding round the jacket. This set work back by a further critical three to five weeks. There is now no way in which the structure can be installed on the seabed in the remaining period of hoped-for good weather, and made safe for the winter.

The platform was ordered in December 1972 and was originally due in May last year. Major design modifications followed, causing the year's delay for delivery.

The builder still expects to complete the structure this year, but its delivery to Brent must wait until next spring, when it can be piled, the deck modules fitted and development drilling begun.

Work on two other platforms for Shell's "Brent System" of five neighbouring fields has already suffered considerable delay, due largely to labour disputes. They are the Brent "C" and Cormorant field concrete gravity structures, being built by the McAlpine-Sea Tank consortium at Ardyne, in the West of Scotland.

Both platforms are due to be installed next summer. In the case of the Brent "C" structure the contractors still hope there is sufficient leeway after the scheduled completion date this December to regain the summer installation target.

Shell has two consolations. The third platform ordered for Brent from Norwegian builders will be completed on time this summer and is expected to be floated to its location "fairly soon."

Good progress has also been made in laying the main trunk pipeline to deliver oil from the Brent complex to Shetland, starting in the autumn. A third of the 92-mile pipeline has been completed.

Meanwhile the Government is expected to publish estimates to-day which are likely to reduce substantially its forecasts of demand for offshore oil-production platforms.

The fresh appraisal comes at a time of considerable uncertainty in the mainly Scottish-based platform construction industry, where a dearth of new orders has aroused fears about employment prospects.

The study is by the Department of Energy Offshore Supplies Office. It has taken into account an assessment earlier this year by the Scottish Office's Aberdeen University advisers indicating that actual demand for platforms until 1980 would be some 25 per cent. below the Government forecast last August.

### Fluctuations

The fluctuating fortunes of the industry are further illustrated by the experience of two yards. The new yard at Portavadie on Loch Fyne, owned by the Government and leased with a loan of £12m. to the consortium Sea Platform Constructors, is nearing completion but has not yet received a platform order.

At Loch Kishorn in Wester Ross the Howard-Doris Group, which is building a £60m. concrete structure for the Ninian oilfield, has applied to take on 300 more men. It is limited as part of its planning commission to a labour force of 400.

# City urged to rethink relations with industry

BY MICHAEL BLANDEN

NEW THINKING was needed in the City about the relationship between the investing institutions and industrial companies, Mr. Deryk Weyer, senior general manager of Barclays Bank, said last night.

Mr. Weyer said at the annual dinner of London and Northern Group that the new view of the responsibilities of the institutions implied their taking a greater responsibility for the companies in which they invested funds.

If the modernist view were accepted, "it is not acceptable for those who own the shares simply to vote with their feet by selling them at the least sign of trouble, or to ignore the signs of that trouble when it appears on the horizon."

The institutions had a powerful case in their traditional argument that as trustees for small savers it was their duty to maintain the safety and liquidity of their funds and to have a high degree of marketable securities in the portfolio which should be sold when the safety of the investment was involved.

Against this, the modernist argued that executives running large public companies should be subjected to greater supervision, and that it was "an intolerable waste of the country's real resources" to treat a public company's capital simply as a marketable security and to allow it to fail for want of support in times of cyclical difficulty.

Mr. Weyer maintained that modern social and political thinking tended towards the industrial rather than the mercantile attitude. The City, he said, should look again at this view and see whether it could balance against its traditional duties some deeper interest in the companies in which it invested.

He also defended the City against recent accusations that it had fallen down on providing finance for industrial investment. He rejected the "misconception" that the low level of U.K. industrial investment was due to the failure of the banking system and the City.

The poor rate of industrial investment was the result of much wider economic and social considerations.

# FT business guide to Scotland

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

AN ASSESSMENT of Scotland's economic and political prospects over the next five years has been published by the Financial Times Business Enterprises Division as a guide to potential investors.

Written by Mr. Jock Bruce-Gardyne, the former Scottish Conservative MP and journalist, the book, Scotland to 1980, closely links what it calls the "resurgence of national self-confidence" to the conduct and promise of the new North Sea oil industry.

With an appraisal of onshore and offshore markets available to British-based manufacturers and service industry, the book counsels caution, however, about the Government's favourable North Sea-related balance-of-payments assumptions. This, it implies, could be thrown out of gear both by falling world oil prices and by the uncertainties already created for oilfield operators.

The survey catalogues Scotland's present and predicted patterns of employment and production over the major industrial activities and takes a critical look at industrial relations which, mainly on Clydeside, it observes may have deterred potential inward investment.

### Incentives

It examines the evolution of Scotland's distinctive machinery of central and local government and describes the development and present level of regional investment incentives, now being supplemented by the Scottish Development Agency, directed from Glasgow.

It traces the growth and peculiarities of Scotland's financial and legal systems and assesses the region's reputation as a "host territory" for foreign (notably North American) investments, with hints for companies contemplating a stake in the region.

The book also devotes a chapter to the politics of Scotland and in particular to the recent rise of the Scottish National Party as an unprecedented third-force in British politics. This is a phenomenon which Mr. Bruce-Gardyne is well placed to judge, both as an active politician during the last ten years and, personally, as a victim—he lost his seat to the SNP in the General Election last October.

*Scotland to 1980; £50; the Financial Times, 10, Bolt Court, Fleet Street, London, E.C.4.*

# City likely to gain from EEC membership

By Michael Blanden

THE CONFIRMATION of U.K. membership of the EEC, far from constraining the development of the City's international financial interests, should further enhance them, according to Mr. Timothy Bevan, deputy chairman of Barclays Bank.

Writing in the most recent Barclays Bank Briefing on "The City's Global Market," Mr. Bevan underlines the dangers of too much interference with the freedom of operation of the market.

"Nothing is more likely to undermine the sensitive web of international finance than clumsy dirigisme from the centre and a fear of international competition."

As the leading financial centre of Europe, London was in a key position. Other financial centres in Europe and elsewhere were also growing, but "the City will benefit from this just as it has benefited in taking a liberal attitude towards the influx of U.S. and other foreign banking institutions.

"The City is splendidly placed to use to the full the essential combination of world-wide experience and adaptability currently demanded by the changing international scene. If it is allowed to, it is poised to serve to a unique degree the interests not only of Britain but of Europe and the world."

# Hamsters may replace smoking dogs

By David Fishlock, Science Editor

THE fiercely controversial use of dogs in long-term toxicity tests for lung disease on substitute tobacco materials may not be necessary in future, the Government's experts on smoking and health believe.

Recent research has indicated that lung changes of a kind that can demonstrate whether a substitute tobacco is less harmful to smokers than natural tobacco can now be reproduced in a species of hamster.

The Hunter Committee, set up by the Government in 1973 to provide tobacco manufacturers with official guidelines for testing the safeness of substitute tobacco products (whose first report was published earlier this week) examined experiments in the U.S. using the Syrian hamster.

The animals were breathing an atmosphere of 100 per cent tobacco smoke generated by an inhalation machine.

The committee suggests in its report that long-term toxicity studies should be made on rats and a second species of animal.

The implication is that companies starting from scratch with such tests need not use dogs, but that the committee is still willing to accept the results of tests on dogs where these are already of long duration.

In the case of ICI, such tests have already continued for more than three years.

# Cash limits on public spending expected from next year

BY MICHAEL BLANDEN

CASH LIMITS on public sector spending are expected to be applied extensively for the 1976-1977 financial year, and may be published at the time of next year's Budget.

This emerged yesterday from a meeting of the general sub-committee of the Commons Expenditure Committee at which comments were heard from a group of Treasury officials headed by Mr. F. Jones, deputy secretary.

The Treasury indicated that cash limits, one of the important moves planned under the counter-inflation policy to keep public spending under control, would not be applied to the rest of this year's expenditure—although it was suggested that in any case the wage controls would provide a limit on increases.

The important point was to develop cash limits for next year, based on the public expenditure programme in volume terms for the years up to 1979-80 which would be worked out in the coming months. The cash limits should, it was argued, be fed into the departments in time for these to be taken into account in planning the 1976-77 spending.

It had not yet been decided whether and when the limits would be published, the Treasury indicated, though it seemed reasonable to assume that they would be made public. The appropriate time for this, however, might not be until next year's Budget.

These points emerged in response to the sub-committee's questions which were concerned particularly with the problems of monitoring cash limits and the question of how far it would be possible for Parliament to keep an eye on the development of public spending in relation to them.

It was indicated that the problems of monitoring the system were being discussed with the various departments concerned. It was emphasised that the important point was to provide limits, as a supplement to the present volume controls over spending, which would help the spending departments to manage their programmes. It was not yet clear how far this would be applied in the following years.

It was thought that the best way of organising the limits would be as blocks of spending, designed not to overlap between departments but of a size sufficient to allow flexibility to the "programme manager," and covering both pay and other spending. The object was to enable those responsible to plan spending more carefully.

Figures produced at the meeting also showed that total U.K. public sector employees (excluding estimates of those earning £8,500 or more a year) is 6.51m., of which 1.96m. are in central government, 2.70m. in local government and 1.85m. in public corporations. To give these a £6 a week pay rise would cost £2.03bn. a year.

# Clarksons payouts likely to start within few days

BY ARTHUR SANDLES

IT MAY be a matter of only days before the first full payments are made to customers of Clarksons, the package tour subsidiary of Court Line which collapsed last year. More than 100,000 people are involved and some 50,000 cheques to families and individuals will have to be mailed.

The whole process is likely to take months. Already the delay has been too long for some. The Court Line Action Group said yesterday that there had already been "irresponsible promises or guesses" over the payments and complained about the hold-ups.

The whole process has proved extremely complex, involving the Court Line Receiver, the "bond" money held as a condition of operation for all tour operators, and new legislation to give back-up to other consumer protection arrangements.

Now the final strings seem to have been tied up and money will be paid out from the "bond" to customers who lost their money. When this cash is exhausted the recently established reserve fund takes over. This fund has been established with an interest-free Government loan but will be maintained in future from levies on tour operating turnover.

# Mirror Group seeks rise in space rates

Mirror Group Newspapers has applied to the Price Commission to increase the advertising rates of the Sunday People by 10 per cent. and the Daily Record by 14 per cent, from September and August, respectively, because of higher raw material and labour costs.

Similar applications for five of the group's provincial newspapers have also been made, effective from September 1. These are the Sunday Independent (21.4 per cent. increase), the Plymouth Times (9.4 per cent.), the Fairstock Times (12.5 per cent.), Paignton News (16.5 per cent.), Torquay Times (18.5 per cent.).

# Stay-at-home holiday makers worry hoteliers

By Arthur Sandles

A NEW pattern of holidaying at home by the British is worrying South Coast hoteliers. Some are estimating that bookings overall will be 10 per cent. down on last year as inflation and economic worries force a reconsideration of holiday budgets.

Mr. Ron Warder, chairman of the Bournemouth and District Joint Committee for Tourism, said that the situation was serious. "There will be more hotels on the market this winter than ever before."

Mr. David James, marketing director of the Southern Tourist Group said that trade was not up to the high expectations that everyone had. Holidays were being equated against the need to replace the gas cooker or other home expenditure.

Some hotels are having a bumper peak period but off-season bookings are badly down. The pattern appears to recur elsewhere in the country. A Scottish hotelier said that it was almost impossible to charge prices that people would pay, and make a profit.

# Western Trust cheque cards to carry photos

BY MICHAEL BLANDEN

WESTERN TRUST and Savings, the Plymouth-based finance and money shop company, is taking a new step to combat the problem of fraud on cheque guarantee cards.

The group, controlled by Philadelphia National Bank of U.S., has launched a new cheque card with a photograph of the cardholder engraved on the reverse side. The system, already used in some other countries and being adopted by smaller banks here, is thought to give a high level of protection against fraud.

Abuse of stolen cards has been one of the continuing problems facing the banks and is one of the main reasons for the clearing banks' unwillingness to raise the £30 limit on the cards in spite of repeated requests from retailers.

It is understood that the clearing banks have considered the system, but feel it is less than completely foolproof and would add substantially to the already considerable cost of running cheque card schemes.

The Western Trust card is the first the company has issued, and will be given free to current account customers "who satisfy certain criteria." Like other cheque cards, it will guarantee cheques up to £30 in payment for goods or for cash withdrawals at the company's 16 money centres.

Western Trust says that as the photograph is engraved into the plastic, it cannot be removed or defaced in any way without arousing suspicion.

# APPOINTMENTS



## BOND DRAWING

BRENNER AUTOBAHN A.G. INNSBRUCK

6¼% 1967/1977 $US18,000,000 Loan

Bonds for the amount of $US1,764,000 have been drawn for redemption due September 15, 1975 in the presence of a Notary Public.

The Bonds will be reimbursed coupon due March 15, 1976 attached.

The numbers of these bonds are as follows:
12724 to 12747 incl., 12749 to 12779 incl., 12797 to 12831 incl., 12837 to 12846 incl., 12872 to 12874 incl., 12880 to 13171 incl., 13179 to 13214 incl., 13217 to 13222 incl., 13260 to 13282 [illegible] 13291 to 13310 incl., 13323 to 13332 incl., 13338 to 13342 incl., 13344 to 13358 incl., 13382, 13384, 13390, 13392, 13399 to 13409 incl., 13404 to 13421 incl., 13423, 13430 to 13433 incl. 13441, 13457 to 13487 incl. 13505 to 13505 incl., 13520 to 13550 incl., 13573 to 13619 incl. 13640 to 13667 incl., 13671 to 13717 incl., 13721 to 13797 incl., 13808 to 13847 incl., 13858 to 13889 incl., 13905 to 13907 incl., 13911 to 14022 incl., 14028 to 14041 incl., 14045 to 14079 incl., 14093 to 14099 incl., 14101 to 14154 incl., 14156 to 14174 incl., 14178 to 14195 incl., 14198 and 14199, 14203 to 14209 incl., 14215 to 14246 incl., 14263 to 14260 incl., 14283 to 14300 incl., 14320 to 14336 incl., 14341 to 14350 incl., 14359 to 14465 incl., 14476 to 14480 incl., 14483 to 14514 incl., 14517 to 14521 incl., 14525 to 14527 incl., 14533 to 14536 incl., 14540 to 14551 incl., 14555 and 14556, 14558 to 14563 incl., 14565 to 14567 incl., 14569 to 14583 incl., 14586, 14602 to 14621 incl., 14642 to 14664 incl., 14667 to 14670 incl., 14691 to 14712 incl., 14718 to 14724 incl., 14727, 14729 to 14734 incl., 14737 and 14738, 14754 to 14786 incl., 14769 to 14789 incl., 14792 to 14805 incl., 14810 to 14816 incl., 14820 to 14885 incl., 14889 to 14907 incl., 14911 to 14967 incl., 14989 to 15008 incl.

Amount called for redemption: $US1,800,000.—
Bonds purchased on the market: $US36,000.—
Amount unamortized: $US3,600,000.—

Outstanding drawn Bonds:
6335, 6350 to 6356 incl., 6376, 6401, 6527, 6608 to 6611 incl., 6786, 6804, 6816, 6982 to 6989 incl., 7046, 7142 to 7146 incl., 7204, 7367 and 7368, 7432, 7480, 7542, 7549 to 7551 incl., 7578 to 7581 incl., 8203, 8226, 8367 to 8369 incl., 8554, 8598 and 8599, 9174, 10450, 10551.

Luxembourg, July 25, 1975.

The Trustee,
KREDIETBANK
S.A. Luxembourgeoise.

## REMOVALS AND STORAGE

TAMWORTH, half mile town centre, two acres available for open storage on a short term basis. Spline Gauges Limited, Piccadilly, Tamworth Staffs. Telephone 872771.

## PUBLIC NOTICES

Local Authority Bills were issued as follows on 23rd July, all of which were the only bills outstanding.

| Authority | Amount Issued | Rate | Tenor | Total Application |
|---|---|---|---|---|
| Bath | £0.65m. | 9-31/64 | 91 days | £7.15m. |
| Blackburn | £0.5m. | 9-31/64 | 91 days | £4m. |
| Dundee | £1.3m. | 9¼ | 182 days | £10.9m. |

DERBY BOROUGH COUNCIL BILLS
£1,000,000 due 22nd October, 1975 issued 23rd July, 1975 at an average rate of 9½ per cent. Applications totalling £8,030,000.
These are the only bills outstanding.

Who Killed King Agag? Where is the Ka'aba? We are seeking lay contestants for another series of a popular, nationally networked religious quiz. If you wish to be considered please write to "The Sunday Quiz."
Yorkshire Television,
Leeds LS3 1JS
and we will send full details. No previous contestants please.

LOCAL AUTHORITY BILLS
£0.5m. Torbay B.C. placed 23rd July due 22nd October, 1975, at 9½ per cent. These are the only bills outstanding.
Issued 23rd July due 22nd October, 1975, at 9½ per cent.:
£0.3m. Cheltenham B.C. (Applications totalled £1.2m. £0.3m. bills outstanding.)
£0.75m. Wigan M.B. (Applications totalled £4.8m. £3.5m. bills outstanding.)
£0.85m. Doncaster M.B. (Applications totalled £8.5m. £0.85m. bills outstanding.)

Sir Robin Hooper has accepted an invitation to become an adviser on Middle Eastern affairs to Herring Daw, Chartered Surveyors.

## BUILDING LAND AND SITES



## PROPERTY TO LET



## PERSONAL



## COMPANY NOTICES

DISCOUNT BANK INVESTMENT CORPORATION LTD.

NOTICE IS HEREBY GIVEN that on 17 August, 1975 at 3.30 a.m. an extra-Ordinary General Meeting of the Shareholders of Discount Bank Investment Corporation Ltd. will be held at the Registered Office of the Company at 16, Beth Hashoeva Lane, Tel Aviv, in order to adopt the following resolutions as Special Resolutions:

1. To increase the registered share capital of the Company by IL.35,000,000 by the creation of 350,000 8.5% cumulative preference shares of IL.100 each (hereunder "preference shares").

2. To add at the end of Article 5 of the Articles of Association of the Company the following paragraph:
"5(D) 350,000 8.5% cumulative preference shares of IL.100 each."

3. To add at the end of Article 6 of the Articles of Association of the Company the following paragraph:
"6(D) 8.5% cumulative participating preference shares ("preference shares").
1. Holders of preference shares will be entitled to receive out of the net profits of the Company in each year before any payment to the holders of any other shares of the Company, a fixed cumulative preference cash dividend at the rate of 8.5% p.a. pro rata temporis on the unredeemed balance of their nominal value.
2. Holders of preference shares will be entitled to participate at the rate of 50% in each increment of dividend exceeding 15% p.a. distributed on the ordinary and founder shares of the Company at dates fixed by the Board of Directors.
3. Winding-up
In the distribution of the Company's assets on the winding-up of the Company, the assets so available for distribution among the members of the Company shall be applied first and in priority to all other shares of the Company in paying the holder of preference shares all unpaid preferred dividends whether declared or undeclared accumulated thereon up to the date of the commencement of the winding-up, thereafter for the repayment of the nominal value of preference shares. The preference shares will not be entitled to participate in the distribution of surplus assets.
4. Voting rights
Holders of preference shares will not be entitled to [illegible] attend and vote at General Meetings of the Company.
5. Conversion rights
(1) Every holder of preference shares may [illegible]
(2) The [illegible]
(3) Preference shares converted into ordinary shares [illegible]
6. Redemption rights
In terms of the provisions of Section 38 of the Companies Ordinance the balance of the preference shares not converted into ordinary shares will be redeemed by the Company at par value on dates to be fixed by the Directors."

4. To authorise the Directors to issue 350,000 preference shares of IL.100 each to the public without necessarily offering such shares to members of the Company.

J. GROSS,
Secretary of the Company.
16, Beth Hashoeva Lane,
Tel Aviv,
Israel.
18th July, 1975.

—Continued from previous column

A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of him. A person appointed as a proxy need not be a member of the Company. The bearer of a share warrant may deposit the warrant at the Office of the Company or at Warburg Registrars Ltd., Bourne House, 34, Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time of the Meeting. The depositor shall be entitled to attend and vote at the above Meeting.

Copies of an announcement to the Press giving further details of the issue are available at Warburg Registrars Ltd., at the above address.

MURRAY FUND
Société Anonyme
Registered Office:
14 Rue Aldringen, Luxembourg

DIVIDEND ANNOUNCEMENT
The shareholders are hereby informed that the annual general meeting of July 18, 1975 has approved the payment of a dividend of
$US0.11 per share
to shares subscribed and in circulation on July 18, 1975 payable immediately against presentation of coupon number 6.
The shareholders can cash the dividend at the following banks:
Banque Générale du Luxembourg S.A., 27 Avenue Monterey, LUXEMBOURG.
Clydesdale Bank Ltd., 30 Lombard Street, London, E.C.2.
The Board of Directors

HOPE STREET FUND
Société Anonyme
Registered Office:
14 Rue Aldringen, LUXEMBOURG

DIVIDEND ANNOUNCEMENT
The shareholders are hereby informed that the annual general meeting of July 18, 1975 has approved the payment of a dividend of
$US0.85 per share
to shares subscribed and in circulation on July 18, 1975 payable immediately against presentation of coupon number 6.
The shareholders can cash the dividend at the following banks:
Banque Générale du Luxembourg S.A., 27 Avenue Monterey, LUXEMBOURG.
Clydesdale Bank Ltd., 30 Lombard Street, London, E.C.2.
The Board of Directors

PANWIT TRUST S.A.
Société Anonyme
Registered Office:
14 Rue Aldringen LUXEMBOURG

At an Extraordinary General Meeting of shareholders on June 24, 1975 the par value per share was reduced from $US5 to $US1.50.
Shareholders should present their certificates to:
Banque Générale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg;
or Williams and Glyn's Bank Ltd., 67 Lombard Street, London EC3P 3DL
in order to have the certificates over-stamped at the expense of the company.
After a period of three months from the date of this publication the share certificates will only be negotiable at the Luxembourg Stock Exchange if over-stamped.
The Board of Directors

CENTENARY FUND S.A.
Société Anonyme
Registered Office:
14 Rue Aldringen LUXEMBOURG

At an Extraordinary General Meeting of shareholders on June 24, 1975 the par value per share was reduced from $US5 to $US1.50.
Shareholders should present their certificates to:
Banque Générale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg;
or Williams and Glyn's Bank Ltd., 67 Lombard Street, London EC3P 3DL
in order to have the certificates over-stamped at the expense of the company.
After a period of three months from the date of this publication the share certificates will only be negotiable at the Luxembourg Stock Exchange if over-stamped.
The Board of Directors



# Food industry chiefs join Institute

BY SANDY McLACHLAN

THE INSTITUTE of Grocery Distribution, one of the top three trade associations in the food trade has been considerably strengthened with the announcement of the appointment of 24 new fellows of the institute. They include Mr. Jimmy Goldsmith of Cavenham, Mr. Garry Weston of Associated British Foods and the Tesco chairman, Mr. Leslie Porter.

All 24 are well-known names in the food and grocery industry. They bring the total number of fellows up to 59. Commenting on their election Mr. John Maude-Roxby, the institute's director general said: "They will greatly strengthen the IGD's capabilities and deepen its influence."

The new fellows are: Sir Andrew Alexander, chairman of Imperial Foods; Mr. D. Angel, chairman of Wall's Meat Company; Mr. J. D. Bisdee, chairman of Elida Gibbs; Mr. R. A. Branston, managing director of Allied Grocery Distributors; Mr. G. A. Cannon, chief executive at Fitch Lovell; Mr. A. H. Coburn, managing director of Findus; Mr. J. D. Cormie, chairman of Batchelors Foods; Mr. L. Fredin, chairman of John West Foods; Mr. J. M. Goldsmith, chairman of Cavenham; Mr. G. I. Grant chairman of Van den Berghs and Jurgens; Mr. L. Hardy, chairman of Lever Bros.

Mr. A. C. S. Hawes, director of trading (Food) Waitrose; Mr. L. D. G. Hill, chairman of International Stores; Mr. D. R. Hornby, chairman of Spillers Foods; Mr. M. W. Jerram, chairman of Booker McConnell U.K. food division.

Mr. G. K. Lawrence, deputy chairman of J. Lyons; Mr. A. C. Mitchell-Innes, vice-chairman of Wall's Meat Company; Mr. W. Monaghan, chairman of Fine Fare; Mr. Aylett Moore, chairman of Wheatsheaf Distribution and Trading; Mr. Leslie Porter, chairman Tesco Stores (Holdings); Mr. K. Skouby, managing director Danish Agricultural Products; Mr. M. H. Smyth, managing director of A. C. Nielsen; Mr. Garry Weston, chairman of Associated British Foods; and Mr. G. Westrop, managing director of General Foods.

## APPOINTMENTS

# Three new directors named for Brandts

Three new directors have been appointed to the Board of BRANDTS. They are Mr. A. B. Greayer of the international banking department, Mr. J. R. Kinder of the industrial department; and Mr. C. I. Marley of the corporate finance department.

★

Following the appointment of Mr. R. Morris as financial director of IPC Mr. J. A. Lawson, financial director of HAMLYN PUBLISHING GROUP, has been appointed financial director of IPC MAGAZINES, with effect from August 11. Mr. Terry Higham, previously financial controller of the Hamlyn group joins the Board of HAMLYN PUBLISHING as financial director in succession to Mr. Lawson as from that date.

★

Mr. Peter S. Winfield has become senior partner of HEALEY AND BAKER on the retirement of Mr. Mervyn G. Orchard-Lisle. The latter will be a consultant to Healey and Baker, concerning himself particularly with the firm's interests in France, Belgium and Holland, while Mr. Aubrey Orchard-Lisle continues in a full-time capacity as consultant partner in the Healey and Baker practice in the U.K.

See Men and Matters, Page 16

★

Mr. A. T. Lonsdale and Mr. D. M. Corbett have joined W. N. MIDDLETON AND CO, members of the Stock Exchange. Mr. J. A. Davis and Mr. A. V. Wheeler are associated members.

★

Mr. A. H. Westropp has been appointed managing director of BARDSEY INVESTMENTS and of its subsidiaries with effect from August. He was previously with TRAFALGAR HOUSE INVESTMENTS.

★

Mr. J. A. Owers has been appointed chairman of WESTERHAM PRESS following the resignation of Mr. G. M. Rainbird, due to ill health. Mr. W. M. R. Lee will rejoin WESTERHAM PRESS as general manager and deputy to the managing director on August 18 next. Mr. D. Birdsall has been appointed a director and Mr. M. Simmons deputy chairman.

★

Mr. H. C. Sanderson has been appointed executive director, passenger, at BRITISH RAILWAYS BOARD headquarters, in succession to the late Mr. A. E. T. Griffiths.

★

Following a meeting of the Board of MIDLAND-YORKSHIRE HOLDINGS the following organisational changes have been made: Dr. E. R. Wallsgrove resigned as chairman and Mr. E. W. Tyerman was elected chairman in his place. Dr. Wallsgrove was appointed managing director of MIDLAND-YORKSHIRE HOLDINGS. Mr. L. C. MacMahon has resigned as deputy chairman; the position is left vacant for the time being. Mr. G. Bates has been appointed company secretary in place of Mr. W. T. Perry—he will also become secretary of MIDLAND-YORKSHIRE TAR DISTILLERS, SYNTHETIC CHEMICALS and of MIDLAND-YORKSHIRE PROPERTIES.

★

Mr. Robert Ascott, until recently EMI group representative in Japan, has been appointed managing director of EMI's record subsidiary in Mexico, EMI-CAPITOL DE MEXICO SA DE CV. He succeeds Mr. John L. Bush, who has been appointed managing director of EMI's record and music publishing subsidiary in Italy, EMI Italiana SpA.

★

ALLIED TEXTILE COMPANIES reports that Mr. James Sugden has resigned as a director of R. BEANLAND AND CO. LTD. and ceased his connection with the group.

★

Mr. M. P. Renton has been appointed chairman of WHARF MILL FURNISHERS in succession to Mr. A. F. Lomas, who is retiring.

PARLIAMENT

# Detainees may all be freed by Christmas

THE GOVERNMENT hopes that all detainees in Ulster will be free by Christmas, Mr. Merlyn Rees, Northern Ireland Secretary, told MPs yesterday.

He said: "I cannot commit myself at this stage to a specific date, but I hope that the situation will progress sufficiently to enable all detainees to be out by Christmas.

"Policy on detention will continue to be related to the level and nature of violence prevailing, but under the terms of the law I have to make the judgment on each individual case in the light of the right of a community to be protected as well as the need to consider the right of the individual to his freedom."

Opposition front bench spokesman on Ulster Mr. Airey Neave asked if Mr. Rees recalled saying that he did not take an optimistic view of the situation.

"Does he think the risk is justified of releasing over 200 experienced terrorists?" he asked.

Mr. Rees said that during the period of release of 300 detainees, twice as many had come before the courts.

"What matters to me is those who go through the courts," he added. "Our aim is to dismantle detention. If there is a full-scale armed insurrection as there was before, I will use the law."

## Threat

Earlier, fears that ex-detainees would come from Northern Ireland to join active units in Britain had been raised by Mr. John Biggs-Davison (C., Epping Forest). He said: "It is over British cities that the threat now hangs."

Mr. Rees replied that the same problem arose with the release of ordinary prisoners who had served their sentences. There were 1,400 special-category prisoners, and some were released every day.

"I'm not in business to keep people locked up for ever. I will look at each individual case."

He told Mr. Kevin McNamara (Lab., Hull C) that the number of ex-detainees being convicted of terrorist crimes was very small.

Mr. Carol Mather (C., Esher) called on Mr. Rees to consult the BBC because an announcement that four soldiers had been killed caused great pain to people whose relatives were serving in Armagh. Mr. Rees agreed to do so.

Mr. Gerry Fitt (SDLP, Belfast W) said great disquiet was being caused in both communities since it appeared that the British Government was negotiating with para-military groups "whose only authority is the gun and intimidation."

He said: "The people who will set the pattern for future peace will be the people's elected representatives." Mr. Rees agreed: "The man with the gun in both communities does call the tune, but he would not be able to do that if there was not support in many parts of Northern Ireland."

# Next week's business

COMMONS debates next week are:

**MONDAY, TUESDAY:** Petroleum and Submarine *Pipelines Bill*, remaining stages, followed on Tuesday by Remuneration, Charges and Grants Bill, remaining stages.

**WEDNESDAY:** *Employment* Protection Bill.

**THURSDAY:** Proceedings on the Consolidated Fund (Appropriation) Bill.

**FRIDAY:** Criminal Jurisdiction Bill, remaining stages.

**MONDAY (Aug. 4):** Petroleum and Submarine Pipelines Bill, remaining stage; Housing Finance (Special Provisions) Bill, Lords amendment.

Lords business is:

**MONDAY:** Industry Bill, committee; Limitation Bill, Commons amendments.

**TUESDAY:** Statutory Corporations (Financial Provisions) Bill, third Reading; Northern Ireland (Emergency Provisions) (Amendment) Bill, second reading; Sex Discrimination Bill, report; Child Benefit Bill, remaining stages; Coal Industry Bill, Commons amendments.

**WEDNESDAY:** Debate on White Paper, "The Attack on Inflation", Finance (No 2) Bill, and Remuneration Charges and Grants Bill, all stages.

**THURSDAY:** Iron and Steel Bill, remaining stages; Sex Discrimination Bill, report.

MPs will start their summer recess not later than Friday, August 8, subject to progress of business, Leader of the Commons, Mr. Edward Short, announced.

# Textiles debate possible soon

LEADER of the House Mr. Edward Short, said in the Commons yesterday that he hoped to arrange a full day's debate on the textile and footwear industries before the summer recess.

# Foot keeps jobless temperature down

BY JOHN HUNT

EMPLOYMENT SECRETARY Mr. Michael Foot, the veteran champion of the Left, faced his blackest day in the Commons yesterday when he had to come before the House to announce that the unemployment figures had passed the million mark on July 14.

Recalling the rumpus which the Labour Party had created when the jobless total reached a similar level under the Tories, Mr. James Prior, "shadow" Employment Secretary, called for Mr. Foot's immediate resignation.

But the big question of the day was the absence of Mr. Harold Wilson, who according to the Opposition had developed the habit of disappearing on foreign trips rather than face politically embarrassing scenes in the House.

Yesterday, when he was due to answer Prime Minister's questions, he was in Germany for talks with Chancellor Schmidt. Last week when there was an uproar about MPs' pay, he was away on EEC business.

To cheers from the Opposition, Mrs. Margaret Thatcher, the Tory leader, drew this to the attention of Mr. Edward Short, Leader of the House, who has had to stand in for the Prime Minister with increasing *frequency*. *She rubbed in the fact that* Mr. Wilson will be absent in Helsinki when he is due to face more questions in the Commons next Tuesday and Thursday.

There were scornful jeers from the Tories when Mr. Short snapped back: "The implications of your question are beneath *contempt*."

Despite the harsh words of Mr. Prior and some Opposition shouts of "shame" the Conservatives showed no inclination to create a major row. Nor did Mr. Foot come under fire from his own Left-wing. They were content to blame the figures on the cyclical nature of a capitalist economy and saw them as further evidence of the need to push ahead with a truly Socialist programme.

All in all, Mr. Foot, who dealt with questions calmly and seemed determined to keep the temperature down, managed to get through a potentially explosive Parliamentary situation without too much difficulty.

He agreed that the latest figures were "tragically high." But he emphasised that the country must face the fact that the level of unemployment was likely to continue upwards in the months ahead until the Government's counter-inflation policy began to work.

His theme was that the Government could not be blamed as the situation was mainly the result of a world recession. The statistics meant that the U.K. now had an unemployment rate of 4.1 per cent. Yet in other Western countries, said Mr. Foot, the figures were higher — 5.1 per cent. *in France, 5.6 in Germany, 5.4 in Holland* and 8.6 in the U.S.

He warned the House against paying too much attention to "scaremongering" *forecasts of future unemployment.* One prediction had put the figure at 1.5m. by the middle of next year. But these were not the sort of projections which were available in any Government Department.

For the Conservatives Mr. Prior said that the whole House would be "shocked and deeply disturbed" by the figures although he promised that there would not be the hysterical reaction from the Tory benches that there had been from Labour on a similar occasion.

The proposed Government action to help school-leavers was, he thought, too little. The amount spent by the Government on extra food and rent subsidies could have been used for the purpose.

"We are now at the beginning of the price we are having to pay for the electoral bribes, inaction and total failure of the Government to deal with inflation," he went on.

"The Opposition has had to endure the jibes and taunts by Labour MPs about us being the party who want to cause unemployment. We not only reject that but we think that under the circumstances Mr. Foot should stop hawking his conscience around the country and resign."

# Help for school-leavers inadequate, says Prior

THE LEVEL of unemployment in Britain was likely to continue upwards in the months ahead, Employment Secretary, Mr. Michael Foot, warned the Commons yesterday.

In a statement on the latest *jobless figures, Mr. Foot* expressed "deep concern" and added that he had "no wish to minimise their gravity." The fact must be faced that the upward *trend was likely to continue* until the counter-inflation policy and other Government policies took effect, and world trade began to improve.

Mr. Foot said that before a substantial improvement could be secured, the domestic rate of inflation *would have to be* brought down. "Meanwhile the Government will take such measures as are open to us in our difficult economic situation to help *those affected*."

A package of measures was being worked out with the Manpower Services Commission, and was being put into effect at *once, the Minister added.*

"This will make it possible for a further 6,000 young people to obtain skilled training this year, and will provide for a strengthening of the careers service. The cost will be £10m. spread over this, and the next financial year."

Mr. Foot said a temporary employment subsidy scheme would be introduced as soon as possible. Details and the starting date *would be announced* very shortly. "We are also considering what further temporary measures might be possible to encourage the employment of young people in industry."

While these measures could help he could not "pretend for a moment" that the number of jobs maintained and provided by these means would alleviate substantially the "tragic total published today."

*He added: "If we are to see* these figures substantially reduced we must secure the expansion of our economy as a whole and the fresh investment and *confidence* required for that purpose."

"The Government's anti-inflation policies are an essential part of that purpose."

Mr. James Prior, "shadow" Employment Secretary, said MPs were "shocked and deeply dis-

MR. JAMES PRIOR

"Price of Government failure."

turbed," particularly by the trend *in the figures. However, there* would be "no hysterical reaction" from Tories as there had been from Labour on the last occasion when the figures had reached just under one million.

"We are now at the beginning of the price we are having to pay for the electoral bribes, inaction and total failure of the Government to deal with inflation," he said.

Action on school-leavers was far too little. The Opposition would have preferred more cash devoted to helping them and creation of skilled jobs, rather than extra subsidies on food and rents.

"The Opposition have had to endure jibes and taunts by Labour MPs about us being the party who wanted to cause unemployment. We not only reject that but we think that under the circumstances, Mr. Foot should stop hawking his conscience round the country and resign."

Mr. Foot replied: "The real cause of the present tragic figures for unemployment is the general *recession which has hit* so many countries."

Although the adjusted figure was "tragically high" at 4.1 per cent., in France it was 5.1 per cent., in Germany 5.6 per cent., in Holland 5.4 per cent. and the U.S. 8.6 per cent.

"In the face of these figures *it is an absurdity* for anyone to state that the major cause of these figures rests with the present Government. It is the recession which has hit the whole Western world. But we must do our best to devise methods to save ourselves from it."

Mr. Alex Fletcher (C., Edinburgh N.) said that the Chancellor had projected *one million* unemployed by the autumn but it was here now. He asked Mr. Foot to state his Department's projection of the unemployment level by the end of *this year.*

Mr. Foot said it was not *customary for projections by* his Department and the Treasury to be given to the House. But the figure of 1.5m. unemployed by the end of the year was not the figure available in any Government department. "The situation is bad enough without people raising scares about an even more serious situation."

"There is likely *to be* an increase on even to-day's tragic figure in the coming weeks and months but I do not believe that it will rise to anything like the figures that are being spoken about." What would happen depended on other nations *besides our own.*

Mr. Eric Heffer (Lab Walton) caused roars from the Tories *when he said:* "We cannot continue any more with the old *type of private enterprise system* which has failed the people of this country as it has failed the people in Western Europe, throughout America, and in *other* parts of the world where capitalism exists."

The way to begin to deal with *the problems, which would not be* solved overnight, was fundamental transformation of society.

Mr. Foot agreed "that the sooner we can translate into full operation *the measures invested* in the Industry Bill the sooner we can carry them into practical *effect.*

"The sooner we can ensure that investment is supplied by those means, the better it will be for dealing with this kind of problem, but in the meantime we have to take first measures to deal with the situation."

# Milk to go up another 1p later this year, Peart warns MPs

MPs were warned yesterday of a further 1p increase in the price of a point of *milk later this year* by Agriculture Minister Mr. Fred Peart, when he reported on the outcome of the EEC Agriculture Ministers' meeting on July 21-22.

After listing the measures agreed, Mr. Peart said: "Many food prices in the shops will not be affected at all by this change, and the total effect on *consumers* will be small."

*As Left-wing Labour MPs grew* restive, he went on: "When the adjustment is fully reflected in food prices, they may increase on average by about 1 per cent.

"*The financing* of the increase in the guaranteed price for milk, together with other costs, will require a further increase of 1p in the maximum retail price of *milk* later in the year, in order to keep within the provision available for the *food* subsidy programme."

Mr. Peart said the decisions had not been easy to make because of the "paramount importance" of the attack on inflation. But an increase in producers' returns and support prices was needed in the interests of future food supplies.

Opposition Agriculture spokesman, Mr. Michael Jopling, said the decisions would not stem the *decline in production which was* already apparent.

He thought the Green Pound —the rate at which prices under the Common Agricultural Policy are converted *into sterling*— should have been devalued still further.

Mr. Peart said the package represented a 5 per *cent.* increase *in prices across the board* for farmers.

For milk it represented another £50m., for cereals another £39m., for beef another £31m., and for sugar beet another £6m.

Mr. Emlyn Hooson (L., Montgomery) warned that farmers were "going into a policy of retrenchment." The decline in production was serious and the changes obtained would not increase food production substantially.

Mr. Tom Torney (Lab, Bradford S) claimed: "It is wrong for the Government to take *action that will increase* food prices in the shops, even by only 1 per cent.

Mr. Peart replied: "What we acheved in Brussels was the right *balance. The full effect* of food prices should be only about 1 per cent.—that is one-quarter of 1 per cent. on retail prices as a whole."

Mr. Tom Swain (Lab, Derbyshire NE) *said that the* British farming industry could only survive or improve its production if Mr. Peart had the courage to tell Ministers in Brussels that *if some alternatives* were not forthcoming, "We are prepared to act unilaterally and go back to a support grant."

Opposition front bench spokesman Earl Ferrers *said in the* Lords said that the measures would do nothing to stop a further fall in milk production.

Minister of State, Industry, Lord Beswick, who had repeated the Commons statement, said the Government expected there *would be enough liquid milk* during the period ahead.

# £2-a-day increase for peers

A £2-a-day rise for peers, backdated to June 13, was announced in the Lords yesterday.

The Leader of the House, Lord Shepherd, said the Government proposed that the limit of their daily attendance allowance should be raised from £11.50 to £13.50.

He said he would move next Tuesday resolutions on this increase and increases in car mileage allowance and London supplement payable to Ministers.

Deputy Opposition leader, Lord Aberdare, said the country got very good value from the peers insofar *as the amount of* work they did was concerned.

He said: "I welcome the interim increase of £2. I know a number of peers have been out of pocket attending the House. I hope the increase will remedy this situation."

# Cut in spending on trunk roads

A CUT in maintenance spending on trunk roads was announced yesterday by Transport Minister Dr. John Gilbert. He was also going to urge local authorities to cut expenditure on their roads, *he hold Mr. Leslie Huckfield* (Lab., Nuneaton) in a Commons written reply.

"The economies should be made progressively over some years so that their effect can be observed," he said. They might eventually amount to 15 to 20 per cent. of forecast costs, he warned.

Impact is expected to be greatest on less busy roads, but operations affecting road safety should be substantially unchanged.

# Prentice faces uphill task to save political career

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. REG PRENTICE, asked by *his constituency party to resign* as MP for Newham NE at the next election, has an uphill task as he fights to save his political career. The signs are that he *may not know his fate until* November.

The issue is seen at all levels of the Labour movement as going far beyond the long-standing *quarrel between Mr. Prentice* and agroup of militant constituents. Its outcome, many Labour MPs believe, could affect the future development of the Labour party.

The first move by Mr. Prentice will be to appeal to the Labour *Party's National Executive Com*mittee which has the absolute right to approve or reject the decision taken by the Newham NE constituency to replace him at the next election.

An appeal will go before the NEC's organisation committee *and an inquiry is likely to be set* up under Mr. John Chalmers of the Boilermakers, the committee chairman. Other members are likely to be Mr. Tom Bradley, together with Mr. Alex Kitson and Mr. Len Forden, both of the Transport and General Workers *Union, and the party's national* agent, Mr. Reg Underhill.

The committee will have the power to call evidence from Mr. Prentice and his supporters and opponents a tNewham NE. One of the first issues to be investigated will be wther there has been any irregularity in the procedures used to call for Mr. Prentice's resignation.

In recent years—certainly since the case of Mr. Dick Taverne at Lincoln—the NEC has tended to concentrate solely on the legality of any action taken to unseat an MP, but this has not always been the case. When Mrs. Bessie Braddock was under *pressure from her local party at* Liverpool Exchange, the NEC over-ruled as unreasonable the local decision to dismiss her.

The speediest possible timetable would be for the appeal to go to the organisation committee *on September 8 and* for the inquiry to be completed by September 10 or 11. The recommendation could then be endorsed by the full NEC on September 27 at its pre-conference meeting at Blackpool.

But there are valid political *reasons why the timetable might* be less hasty. Mr. Prentice has no right to challenge any NEC decision.

## Sensitive

For this reason, it is more than likely that the inquiry will not be completed before conference, and the NEC will have to postpone its consideration of the Prentice affair until its October or November meeting. The issue is far too sensitive to be welcome at conference this year.

A party battle might possibly develop between militans who *want to go for* a *quick* "kill" and moderates who would wish to see a more leisurely inquiry.

Mr. Prentice continued to be optimistic yesterday that the NEC would reverse the 29-19 decision of his local management committee, but many of his sup*oprters are less hopeful, despite* the powerful backing of the Prime Minister and 14 Cabinet Ministers.

**John Bourne, Lobby Editor,** writes: The reaction among many anti-Left Labour MPs to the Newham party's decision was *to point out that other Ministers* had successfully withstood attacks from inside their own constituency parties, and that in *Mr. Prentice's case* he himself was party responsible for his own fate.

As one of the organisers of the MPs' letter backing Mr. Prentice last week *said*: "What happened was largely a personal thing to do with Mr. Prentice's personality and his unfortunately brusque way of dealing with *people* with whom he disagreed."

Other MPs, although friendly towards Mr. Prentice, argued that he had been partly to blame because of *his ineptly phrased* statements—accusing the unions of "welshing" on the social contract, for example—and particularly for his refusal to see Left-*wing constituents during* the mass lobby of Parliament for the release of the Shrewsbury pickets.

This refusal was one of the points used by Mr. Prentice's critics in the Newham party to unseat him for the next election.

"The refusal was a very foolish action," said one Right-*wing MP.* "*Every wise Member* should always see constituents who ask for interview, even if he then tells them that he disagrees with them."

# Cash for coal

*THE NCB said yesterday that it* planned to invest £1m. in open*ing up new seams* at Newstead Colliery in Nottinghamshire. The move is associated with a £1.5m. development involving the construction of two underground railways to boost production by 80,000 tons a year.

FINANCIAL TIMES REPORT

# FIRE PROTECTION

**The hopes two years ago that losses from fire were beginning to be contained have proved largely unfulfilled. The many new regulations are proving difficult to enforce and ultimately industry must recognise its responsibilities.**



## Losses hit a record level

THE GRIM total of fire losses in 1974 was £237m. This compares with £179.3m. in 1973, a figure considered appalling at the time. There is no question that this latest tally is a bitter disappointment to all those concerned with fire protection. It is, of course, easy to excuse the 1974 total by claiming that £36m. of the loss was due to the Flixborough disaster and that this is in some way freakish. But the simple fact is that Flixborough cannot be excluded from the sums purely on the grounds of size—and even if it were there would still be an accelerating trend in fire losses.

Up to 1973, there had been some justification for cautious optimism since it appeared that losses were at last being contained and that the situation was stabilising: losses in the years 1970-72 were £106.6m., £106.1m. and £108.5m. respectively. The figures for the past two years have dispelled any complacency that might have crept in during that period.

A precise breakdown of the latest losses was not available at the time of writing. However, a number of disturbing trends have emerged. For example, there are far more losses in the £1m.-plus bracket: in 1974 there were no less than 22 losses in this range, compared with half that number in 1973 and only four in 1972. This obviously reflects the effects of inflation to some extent, but it also shows that fires are getting bigger because of the growing concentration of industry into larger units. Clearly, a major task is to confine fires and keep them down to size.

In 1973, the last year for which a complete set of figures is available, "malicious or intentional ignition" accounted for 257 fires costing £22½m. This total was second only to the "causes unknown" category, which accounted for some £56.8m. Quite apart from the troubles in Northern Ireland, arson was the fastest growing division. And there is every indication that this trend was fully confirmed during 1974. Vandalism (and its tolerance) has taken on truly hideous proportions, underlining the need to incorporate security into any fire protection procedures. Perhaps the saddest part of this particular problem is that an ever-increasing number of these fires are started by minors and involve schools.

The most formidable barrier to overcome for such bodies as the Fire Protection Association, the Fire Brigade and the Central Fire Liaison Panel is management's general apathy. There are some exceptions to this general rule, principally in the chemical and petroleum industries. Otherwise, the average executive's time is spent on maximising profits, lifting the return on capital employed, boosting sales and maintaining cash flow. All worthy objectives, of course; but it is difficult to imp.ess upon them that there is a very real prospect of going out of business permanently in the event of a fire. Those who rely on maintenance of market share with their products might well find, when payment of any insurance money is settled, that the niche they had occupied has been taken by eager competitors. To build a new factory for a non-existent market therefore becomes a hopeless project. The message to industry came over loud and clear from the chairman of the Central Fire Liaison Panel in the annual report in May: "The prevention, limitation and control of fire should be of vital interest to management but the figures would appear to show that industry as a whole does not give this problem the thought and action required."

### Message

The annual report for 1974 of the Fire Protection Association carried a similar message. It pointed out that the damage at Flixborough alone accounted for "one-and-a-half times the total damage in monetary terms which was done by fire some 25 years ago." It goes on to say: "Insurers and the fire services will always be to the forefront of this attack on fire. It has, however, still not brought home effectively enough to industry, to industrial managements, to commercial concerns and to private individuals that fire protection is their responsibility and is in their own interests."

Until now, it has only been the major fires that have really brought home to management the penalties for being negligent. Flixborough was, of course, the last one to shake management out of its lethargy, and before that it was the Summerland fire in the summer 1973 at Douglas, on the Isle of Man, where 50 people lost their lives. Possibly the only good to come out of such horror stories is that it wakes people up with a start. But from now on management will be forced to take heed by the new Health and Safety Act. The details of the Act have yet to be finalised, but its teeth are very clearly provided by the threat of criminal proceedings. The responsibility for accidents is laid firmly at the door of those who create the risk in the first place—that is management. And ignorance of the law will afford little or no protection. The Act covers a vastly wider area than just fire protection, but the ramifications have come home to those in control, and in no modest way judging by the level of inquiry at such places as the Fire Protection Association.

The problem with any such Act, however, is its enforcement. When it was ruled that all hotels had to undergo a survey and either conform to regulations to receive a certificate or go out of businesses, this placed a tremendous burden on the Fire Brigade, whose job it was to make all the checks. Often what happened was that many hotel owners merely converted their premises to flats or offices and therefore made the building ineligible. But apart from that, the sheer number of hotels to be examined, and the length of time afforded the hoteliers, made it very difficult to get things done. The new Act, since it is all-embracing, will clearly represent an awesome burden on the authorities.

Ultimately, however, industry will have to conform and be forced to recognise its responsibilities. It is not as though there was any shortage of advice on the subject or organisations willing to help. The FPA, for example, has four films that can be bought or hired: these cover: (1) The Nature of Fire, (2) The Control of Fire, (3) The Prevention of Fire and (4) Flammable Liquids and Electricity. The same organisation publishes comprehensive books on the subject and is currently producing literature designed specifically for individual industries. As well as a general planning programme for prevention and control of fire, the industries covered to date are food, knitwear and clothing, plastics processing, furniture and woodworking. A further book is due on printing, and it is planned to tackle the chemicals industry at some later stage. These books, if their contents are applied faithfully, represent the basis of a thorough system.

### Training

The key to the whole fire protection business is, therefore, undoubtedly training. The FPA runs half a dozen courses each year for management, though it is equally important to impress the dangers and costs of fire on shop floor workers. It is one thing to instal sophisticated equipment and incorporate infallible systems—it is another to get workers to adhere to those systems and observe the rules, particularly if the application of these procedures eats into the working day and affects earnings. Human error is the most intangible dange of all—as the Flixborough experience proved beyond doubt.

One area where considerable progress has been made is in the field of architecture. In the past, far too much attention has been paid to appearance and comfort and not enough to fire preventive design. Traditionally, a very small part of a trainee architect's curriculum has been devoted to fire prevention and control, but, following a period of close collaboration between the FPA and the Royal Institute of Architects, this has been changed. It is significant that the real breakthrough came following the Summerland disaster and subsequent criticism of the architects—it is a pity that it took such a disaster to bring the two together. However, attitudes have now changed for the better, and a new and encouraging joint project is the design of a model building which incorporates in its construction and design all the latest thinking on fire protection.

Progress is also being made in the field of co-operation with other countries, notably in Europe, where the U.K. is something of a leader. Three new publications, covering management responsibility for fire protection, plus specific works on plastics processing and hotels are to be published simultaneously in 11 countries throughout Western Europe. And it is the intention to extend the series to cover other industries.

Meanwhile, back on the home front, it is hoped that an International Fire Exhibition ("Interfire") at Olympia will generate more than a little interest. The exhibition, which is to be opened by Lord Stokes, will include a conference, one of the main subjects for discussion being the Flixborough disaster. The exhibition will last from July 28 to August 1. It is a decade since the last exhibition was held, and at the moment response is said to have been "enthusiastic." Roughly 178 companies and 11 foreign countries were involved at the last count, plus stands booked by various fire brigades and the FPA. Perhaps it is not too much to hope that British industry will take an interest.

**Keith Lewis**





## Research efforts

GIVEN CARE, the mechanical and physical properties or chemical composition of a metal or non-metallic construction material can be measured quite accurately using small specimens cut from a larger section of material in stock. Is it so for the fire-resisting properties of architectural materials? Evidence has been accumulating for some years to show that there is very poor correlation between the testing of small specimens and their behaviour when exposed to fire in a building. To take a straightforward example, wood—normally used as kindling in lighting a fire—would have poor fire resistance in any small-scale test. Yet a timber-frame building may remain erect in a fire that would bring about the complete collapse of a similar steel-frame structure, because of the greater resistance to heat of the carbonised wooden frame, which remains rigid when steel girders are wilting. Although both structures may be write-offs, the difference in loss of life could be considerable.

The small-scale fire test can be misleading in either direction. It may show that a certain material, used at a specified thickness, satisfactorily affords a resistance to fire for one hour, and yet take no account of a factor as crucial to combustion as the rate at which air (oxygen) is feeding the fire. On the other hand it may show that a natural furnishing material such as a woollen fabric or carpet is a high fire risk compared with its man-made counterpart when in real fire situations no such disparity can be found. Small-scale fire tests can take little or no account of factors as crucial to combustion as the specific surface properties of materials and the reflection of heat from one surface on to another in a real fire.

### Inadequate

But the problem is not simply one for suppliers of materials used in buildings. As a result of some serious fires—such as the Summerlands fire on the Isle of Man in 1973, when 50 people died—building designers have found themselves criticised for inadequate fire resistance even though the designs complied with fire regulations. Sometimes, when insurance claims have been very big and legal action has been contemplated, legal advice has been that it is not enough for the architect to claim that he complied with fire regulations. This situation has heightened the interest of architects as well as fire insurers in the value of fire tests, and in the capability of fire-testing laboratories to carry out tests that correlate more closely with real fire conditions.

Britain boasts a wide variety of fire research and testing facilities to-day, although each tends to have its specialisation and in practice there is little overlap. Best-known, perhaps, is the Fire Research Station, once jointly owned by the Government and the Fire Offices Committee (as the Joint Fire Research Organisation), but now a division of the Department of the Environment's Building Research Establishment. Its speciality is the phenomenon of fire, a subject studied in a civic context certainly since Roman times. The Fire Offices Committee is now setting up its own independent Fire Insurers Research and Technology Organisation (FIRTO), based on redundant portions of the Fire Research Station, principally its fire-testing areas. FIRTO's speciality will be technical investigations in connection with insurance company approvals for premium proposals.

Quite independently, the Home Office at Moreton-in-Marsh operates the Fire Service Technical College, whose main concern is the operational efficiency of fire brigades. It has large facilities such as a full-size model of a ship's section on which firemen might practice fire-fighting in, say, smoke-filled conditions. A fourth major centre of interest in fire is the Safety in Mines Research Establishment, which has specialised in the past in pit fires and explosions. It came under new management with the creation of the Health and Safety Commission this year, and can now anticipate a much wider brief embracing large-scale industrial fire and explosion hazards.

Some of the industrial research associations with a direct interest in combustible materials have fire-testing facilities, among them the Timber Research and Development Association and the Rubber and Plastics Research Association. Then there are privately-owned fire-testing laboratories, including Crafer Associates which claim to be the only consulting fire engineers in Britain with their own test facilities, on a 12-acre site in Somerset: and fire test houses specialising in the small-scale standard fire tests such as BS.476, including Yarsley Testing Laboratories (now part of Fulmer Research), the Warrington Research Centre in Lancashire, and Minton, Treharne and Davies. These three are proposing to form an association of commercial fire testing laboratories.

Of these, however, only the Safety in Mines Research Establishment, the proposed facilities of FIRTO, and the newly opened Lopen Laboratories of Crafer Associates are equipped to carry the kind of test that will demonstrate the fire-resistance of a complete building structure, where different materials are in juxtaposition and separated by air spaces that can provide supporting combustion and rapidly propagate a fire.

### Experiments

The Greater London Council has carried out full-scale experiments with the London Fire Brigade that demonstrate how differently building structures behave compared with a few square feet of test panel. These experiments also support the experience of fire brigades that fires have been growing more hostile in the 1960s and 1970s, with a fast-rising toll of casualties caused by smoke, and by vapours given off by the fire, which even if not toxic may disorientate or blurr the vision of someone trying to escape. Writing in *New Scientist* recently of full-scale fire testing by the GLC, Mr. Alan Berman, head of the Building Sciences Group of the GLC's Scientific Branch, described the difference experienced in deliberately setting fire to two houses due for demolition, one traditionally furnished and one furnished with more modern, largely plastics-based fittings. The one with the more traditional decor burned only with difficulty, the fire going out several times. The other burned out in 45 minutes.

Similarly, plastics materials have produced major changes in the fire-resisting properties of the fabric of buildings, to the extent that the traditional test methods, in Mr. Berman's view, "can give a totally misleading view of their behaviour in fire conditions." *Ad hoc* tests that subject building systems to conditions closely simulating their intended use are essential, he argues, to take account for example of the rapid release of energy from man-made materials which can be so much more destructive to building structures than traditional materials such as wood.

Mr. Berman's reservations about the relevance of standard fire tests to real fire conditions were underscored in a seminar organised by Crafer Associates for the Architectural Association School of Architecture in London earlier this year. The fire engineering consultants warned the architects bluntly that, from their experience of attempts by fire insurance companies to make claims on the designers' insurance following a fire, the consensus of legal opinion was that the designer could no longer rely on regulations or standard fire prevention codes and tests to discharge his duties to his client.

Only full-scale fire simulations could give the designer assurance that the combination and configuration of materials proposed would perform adequately in fire. It meant large facilities if, for example, the performance of ventilating ducts, large fire-resisting doors and shutters, automatic fire detecting and extinguishing systems, or fire escape arrangements were to be tested, until fire researchers learned more about the effects of scaling for fire.

But the cost of large-scale simulations need not be deterring, claimed Crafer Associates. In their own experience they often cost less than a set of standard tests to BS 476 when carried out in a laboratory organised for the work. Even those that cost tens of thousands of pounds, however, could prove well justified, they argued, in terms of gaining acceptances or waivers which saved very much more.

**David Fishlock**
*Science Editor*

## FIRE PROTECTION II

# New buildings, new problems

IN SEPTEMBER, 1666 a small fire in a bakers in Pudding Lane gained a foothold, became *uncontrollable and destroyed* 13,000 buildings and 87 parish churches. The Great Fire of London, as it *was dubbed*, could never happen again, which is both a reflection on building design and the sophistication of our fire fighting forces. We have certainly come a long way over the past 300 years, but the *change of environment* has produced its own fire hazards, particularly the dangers of high rise buildings.

Not only are methods of construction changing, but building design is taking on a whole new approach. An example is the mixed use of high rise building with a combination of car parks, offices, restaurants and hotels, and varied methods of occupant movement, such as a combination of lifts and escalators on different floors.

Basically there are four differences in to-day's buildings from those before the war. First, there is *the height factor*, which makes it increasingly difficult for fire fighters to reach a fire effectively and for the occupants to escape. These problems are aggravated where buildings are sited on pedestrian precincts or podia. In this way even a relatively small building can present a problem to rescuers.

Second, materials used in building are often contributory to the quick spread of fire or to increasing the intensity of its heat. Further, modern construction methods have actually provided passages for fires in concealed places. The greater use of air conditioning, and ducts for electrical cables, telephone telex wires, etc. can provide a criss-cross of paths for fire to spread, traversing fire resistant doors and walls, whose effectiveness is then reduced

Finally, there is the difference of building contents. Increasing amounts of office machinery, upholstered furniture and general office decorations *are all fuel to a fire*, and there are cases where the occupants erect combustible partitions, which not only affect escape routes but are obvious fire hazards themselves.

### Effective

Generally speaking, the regulations in the U.K. are effective, and some of the worst fires that occur overseas could never happen in this country. For an example of the disaster that can ensue from a *high rise* building fire we have to go outside the U.K.

On February 1, 1974, 179 people were killed in the fire at the Joelma building in Sao Paulo, Brazil, just two years after a fire at the Andraus building at the same city in which 16 people were killed and 300 others rescued, and three years after the death of 163 people in a hotel fire on *Christmas Day in Seoul, Korea. The* common factor in all these buildings is that they were all recently built high rise buildings and that all were completely gutted. These cases occurred in fast developing *cities which had not taken note* of the lessons learnt the hard way in other countries, and the design and fire precautions were hopelessly inadequate.

The Joelma building was 25 storeys high and two years old, designed with two irregular-shaped towers connected by a central staircase and elevator area. Only the first six floors used as car park space and the immediate two above that were saved, the rest of the building being gutted.

The fire, caused by a short circuit in the electrical supply of one of the air conditioners, started in the twelfth storey. It was discovered at about 8.50 and an attempt to put it out by a supervisor failed as he could *not get into the room* because of heavy smoke. Shortly afterwards evacuation of the building started, and in this context the activity of the four lift operators was heroic the only staircase being blocked by *smoke and heat*; of the 422 occupants of the building that survived the four lifts must have evacuated about 300.

Many of the occupants expecting rescue by helicopter, no doubt with the Andraus fire in their mind, rushed to the roof when possibly escape downwards might have been possible. Efforts to *enter* the building by fire-fighters were thwarted by intense heat and smoke and fire fighting was reduced to jets directed from appliances in the street. Meanwhile the nature of the roof (the Andraus building *had a roof built for future use* as a heliport) plus heat and smoke prevented rescue by helicopters until after the fire had burnt out. By 10.30, not even two hours later, the ghastly toll was that, of the 766 occupants, 155 worked on the first storey and easily escaped; of the remaining 601, 81 were rescued from the roof after the fire, 41 were rescued by ladder and 300 escaped by use of the lifts; of the 179 deaths, 40 jumped, 90 died on the roof and 49 died in the building.

The reasons that the fire spread so rapidly can be summarised by five points, which should be firmly imprinted on *the mind of anyone concerned* with building design and management: (a) There were no automatic sprinklers; (b) The hydrant system was not used by the staff because of lack of training or ignorance as to its use; (c) There were no smoke or fire doors protecting the stairs and elevators; (d) There were large *open floor spaces which had* been subdivided by combustible partitions, and probably a false ceiling; (e) Large amounts of combustible interior decoration and furniture were present. The lessons of Joelma should not be forgotten.

For a disaster much closer to home which could and should have been avoided one only has to go back to the evening of August 2, 1973 and the Summerland leisure centre in Douglas Ise of Man. Three thousand people were in the building, 50 *of them died*. The fire, which was started by boys lighting a section of a fibreglass dismantled kiosk, took hold of the rest of the kiosk rapidly. Staff attempted to fight the blaze for 20 minutes before the fire brigade *was summoned despite the* fire alarms and the direct link by the control centre. In fact the fire had already been reported by a ship at sea before the brigade was summoned by the Summerland staff.

*At the time the rapid spread* of the fire was attributed to two major building materials used, Oroglas and Colour Galbestos. Although the kiosk was relatively near the Oroglas it did not catch in 20 minutes later, *but once alight the fire spread* rapidly. The Colour Galbestos wall behind the kiosk needed a strong independent source of fire before catching, but, once alight, the flames again quickly spread.

### Delayed

*In short the disaster of* Summerland was attributable to three factors: (a) the rapid development of the fire; (b) inadequate means of escape; and (c) delayed and difficult evacuation. The Commission's report on the fire included 34 recommendations, including one that Theatre Regulations should be updated *and extended to cover* all buildings of public entertainment. Further, it pointed out that architects and clients should take a careful look at the requirements and performance of the building, and that architectural training should include a much extended study of fire protection and precautions. *The Royal Institute of British* Architects has taken action on the report (it was already an area of concern), and with the help of the Fire Protection Association is promoting this increased awareness of architects to fire dangers.

Those involved in building design, in this country at least, have an impressive record, but there is still insufficient protection. The package for protecting a *high rise building as* described by a divisional officer of the London Fire Brigade includes: Fireman's lifts and staircases and lobbies with a maintained pressurised air system; smoke release provisions on all floors; an automatic sprinkler system; Hose reels and wet rising mains; and Hand appliances for special risks.

The sprinkler system is most relevant, for it can contain a fire until the brigade arrives or even extinguish the blaze. The practice of placing sprinklers throughout a building is common in the U.S. and Australia, although a full cover protection of this sort is less common in this country.

**Terry Garrett**

# Managing the risk

THE STAGGERING increase in the cost of fire damage to industry must surely hammer home the point that companies need to manage fire risk and water damage in much the same way that they manage other risks that are a threat to the existence of the business. Many of the larger groups have already come to terms with this problem by setting up in-house *risk management teams*. The message from these companies is that there is a definite need for some planning programme for the prevention and control of fire.

Higher fire losses naturally result in higher insurance premiums, and this must have been uppermost in the minds of these companies when they decided to take a more positive role in the prevention and control of fire. *Certainly this factor* and the rising cost of property losses on top of the consequential *threat of interruption of* production and marketing in the event of a fire or explosion persuaded Guest Keen to form a Group Protection of Assets Team.

### Educate

*Much has been done to* educate industry on the need to make some planning programme for the prevention and control of fire by the Fire Protection Association. They have produced a number of publications purely to give management a guide as to what areas of risk should be considered and what steps could be taken to reduce the risk and how if possible they can reduce the *insurance premium burden*.

There are basically three main steps to a fire protection *system. First, there is* a need to identify the fire risk in any given business. This involves the *sources of ignition*, the materials that are likely to burn and the possible ways in which the fire can spread. The second step would be to evaluate *just* what the fire would mean in terms of damage it could cause. *In this context* the company needs to take account of the consequential effects. Having carried out these preliminary investigations, the company would then have to manage the risks by organising a permanent *fire prevention system*.

Fire risk involves buildings, plant and equipment, materials and people, and in connection with these risks the FPA feel that management needs to consider whether they can be eliminated or reduced. Further questions that would need to be answered include whether the risk was adequately covered, either by training, general *safety precautions and insurance*, and whether there were plans for getting back into production should the business suffer from a fire.

These steps laid down by the FPA are not, however, as straightforward as at first they may seem. There are problems in identifying particular cases of potential risk and applying acceptable protective measures. To help pinpoint possible risks *the FPA has published a general* guide covering various parts of a production run and processes where flammable liquids and gases are involved.

This guide sets out to show some of the basic hazards inherent in machinery, process heating and drying, processes involving the production of dust, packaging, storage and warehousing, flammable liquids and gases. Leading on from there each section is analysed and precautions that can be taken are listed.

*Since a general guide has only* a limited value the FPA has endeavoured to expand on its analysis in certain high risk industries. In each case detailed information is given on the possible risks in various operations in that particular industry. On the lines of the general guide each risk is then accompanied with the *basic precautions that* can be taken. Specimen plans of imaginary factories are given *as a rough guide* as to the kind of plan that each firm should prepare for itself.

It is imperative that management takes a careful look at its own defences and deficiencies for insurance in itself is not sufficient. After all the extensive long-term *disruptions* caused by fire—a company could *conceivably* be forced into bankruptcy—cannot be compensated for by money alone.

Undoubtedly the best form of defence from a fire is by installing an automatic sprinkler system which is linked to an alarm system. *These earn the* largest premium discounts which could be as much as 70 per cent. with tax allowances on top.

Having said this, sprinkler systems are thought to cause excessive water damage. It is often felt that the damage caused by water from sprinklers, in some cases, is more than the actual fire damage. The British Automatic Sprinkler Association would not disagree with this point, but what they do say *is that the total damage caused* by water from a sprinkler is most unlikely to approach the total damage of fire and water had the building not been protected by a sprinkler system.

The amount of water discharged by one sprinkler is small in comparison with a Fire Brigade hose; only if one head fails to control the situation does the other heads of a sprinkler system operate. From an analysis carried out between 1924 and 1965 it was seen that only one head operated in 38 *per cent. of the cases and five* or less heads operated in 75 per cent. of the 75,000 fires covered. Clearly the insurance companies are in no doubt that sprinkler systems do severely reduce the risk of fire—large fires usually occur when the building is not protected by such a system.

*Anyway whatever action is* taken must stem from the top management in conjunction with the various authorities and specialists. Thereafter certain fire prevention checkers should be appointed to carry out day-to-day checks on the *lines* suggested by the FPA, as well as training the general staff on fire *procedure*.

The objective then is clear. If industry is to check the disturbing pattern in fire damage then it must adopt some planning programme for the prevention and control of fire. The recent policies adopted by the larger groups does at least suggest that things are moving in *the right direction*. But there is obviously still some way to go and it must be hoped that under the guidance of the FPA, and the like, other companies become aware of the escalating problems that are inherent in industry to-day.

**David Wright**

# The new-look fire service

BROADLY SPEAKING, the reorganisation of the fire service —which was started towards the end of 1972—has now been completed. The number of fire bridgades in the country has been reduced from 142 to less than 50 in line with the recommendations laid down in the Holroyd Report, which *suggested that the fire service* should be subjected to greater central controls.

The reorganisation was completed as recently as April this year, and though it is perhaps too early to make an accurate assessment of its impact, the general consensus within the fire service is that the changes made so far have been successful. Most fire chiefs agree that the move to a smaller number of larger brigades is a step in the right direction. Some feel that many of the new brigades are not large enough to produce the most efficient possible operational unit. Still, there has been a marked improvement generally, and the so-called island brigades—those surrounded by areas of a county—have been eliminated.

Of course, at the physical level—that part of the fire service with which the general public makes contact—the "fire brigade" remains very much as it always has been. Its re*organisation has been concen*trated solely on central management controls. Nevertheless, the fire authorities and the fire brigades that they control are going through a time of considerable pressure.

### Duties

In recent years Parliament has placed on the fire service an increasing role in the certification of a wide variety of premises with regard to means of escape in case of fire, as well as other various fire protection duties. At the same time the work load of the operational services *has increased* substantially—partly because of the rising tide of fire calls and partly through the recent reduction in working man-hours, which has effectively reduced the manpower of the service.

The average working week for a fireman has now been reduced from 56 hours to 48 hours—and at a time when the number of daily fire calls has been rising against a background of increasing demand for the service's rescue and emergency duty role. There are around 6,600 firemen in London alone, and it is generally reckoned that this number is about an eighth—or 1,000 men—short of full force strength.

An area of operation that the fire service finds increasingly *time consuming is the advice* that it gives (upon request) on the subject of fire protection and the adequacy of means of escape. The latest fire laws give legislative protection to a wide area of life risk. Officers of the fire brigade will inspect shops and offices, while owners and proprietors of hotels and boarding houses must apply to their local fire authority for a fire certificate.

This order applies to all boarding houses and hotels providing accommodation for more than six persons, staff or guests. *No lower limit is put upon* accommodation above first floor level or below ground floor. There has been a deluge of fire legislation in recent years, and in many areas fire protection laws have been successfully tightened up. However, roughly four-fifths of all fire deaths occur in the home; much headway has been made by *some* fire authorities in house-to-house visits to bring a degree of education and control to this all-important area of life risk.

The fire service is continually expanding and updating its own training programmes. At senior level of management there is the Fire Service College at *Dorking; at the vocational and* educational level there is the Fire Service Technical Training College at Moreton-in-Marsh; and the Scottish School at Gullane looks after certain training commitments north of the border. Elsewhere, there are extramural departments supplying programmes at an increasing rate for station training.

However, fire education as such is not the sole responsi*bility of the fire service*. Its function is clearly the crucial component, but there are a number of ancillary activities that in recent years have begun to play an increasingly important role. One of these is the Fire Liaison Panel.

Just over ten years ago the Fire Protection Association, *with the help of the British* Insurance Association, began to arrange informal meetings comprising representatives of the Federation of British Industry, Chambers of Commerce, the Chief Fire Officers' Association and various insurers. In 1965 these informal meetings were officially consolidated into Fire *Liaison Panels. These were set* up by the BIA, and there are 12 panels in each of the BIA regions.

To co-ordinate nationally this network of panels a Central Liaison Panel was formed (in 1966). At present this central panel consists of representatives from the Chief and *Assistant Chief Fire Officers'* Association, the Confederation of British Industry, the BIA and the Fire Protection Association. The central panel's main task is to co-ordinate the work of organisations concerned with fire prevention. For example, *it* promotes a better local understanding between the various fire organisations, it enables local problems and technical queries to be resolved on the spot and it takes action to stimulate fresh ideas for other local activities (including the sponsorship of local fire pro*tection associations).*

### Liaison

The central panel is currently restructuring its dozen liaison panels and this will be completed during 1976. In the meantime, the major target of the panels—the encouragement of fire prevention within industry—continues. By and large its activities centre on conferences, campaigns and exhibitions. It runs a monthly newsletter and has recently made a film as part of a management training aid campaign.

The central panel's crusade during the current year is being *spearheaded by a campaign* called "To-day's prevention or to-morrow's loss." The introduction to the campaign contains the following declaration: "The object of all fire prevention campaigns should be to create an awareness that a serious fire problem exists as a threat to every person, physically and materially, to his business and to the economy of the country; to motivate individuals to want *to do something about the fire* problem; to provide information that will help individuals to play their part in reducing the risk."

**Jeffrey Brown**

# LABOUR NEWS

## Pension terms spark strike decision at Hawker Siddeley

BY CHRISTIAN TYLER, LABOUR STAFF

TWENTY THOUSAND Hawker Siddeley staff are to strike in protest at pension terms offered by the aircraft company.

News of the planned stoppage, to take place on August 18, came as trade unions and insurance companies voiced concern at the announcement that pension schemes would enjoy only limited exemption from the £6 pay limit. This exemption was explained by Mr. Michael Foot, Employment Secretary, to the Commons on Wednesday.

One of the unions involved in the Hawker Siddeley row, the Association of Professional, Executive, Clerical and Computer Staffs (APEX) said the £6 wage limit made it "even more urgent" to improve pensions—which are seen as deferred pay.

But it is not yet clear whether the breakdown of talks will mean that the HS staff can still reach a pensions agreement without any increased employer contributions being off-set against the limit.

### Sums at stake

Unions are trying to clarify the status of this and other important sets of pensions negotiations in the light of Mr. Foot's remarks. Sums of £3 a week or more are at stake in some instances.

Mr. Foot said improvements in occupational schemes must in general be subject to the limit. But they would be exempt if improvements had been negotiated befbore the White Paper was published on July 11, or if the parties could show they had been "negotiating on specific proposals" in the three months up to July 11.

Mr. Harry Lucas of the General and Municipal Workers Union, while welcoming the concession, said unions would need to know where they stood if they had lodged pesions demands in time but had had difficulty in getting the employers to meet them.

There was bitter reaction from sections of the insurance industry.

A scheme for 130,000 British Leyland manual workers, due to start on September 1, will presumably be exempt. The position of incomplete negotiations for BL staff is less clear.

Other major schemes in negotiation cover Pilkington Brothers' 9,000 manual workers, 11,000 at Rediffusion (where union demands have not been met) and several thousand Tube Investments' employees.

## Jones calls on union to fight inflation

By John Wyles, Labour Reporter

A VIGOROUS call to the trade union to lead the attack on inflation and unemployment through united support for the £6 flat rate pay policy was delivered yesterday by Mr. Jack Jones, general secretary of the Transport and General Workers Union.

Speaking to Yorkshire regional leaders of his union, the transport leader claimed that Britain would have become "a bankrupt banana republic" if wage increases had continued to run at 30, 40 or 60 per cent.

The success of the £6 policy would be ensured by trade union solidarity and unity, said Mr. Jones, who on Wednesday surprised some of his colleagues at the TUC general council meeting by attacking the 34 Labour MP's who voted against the Government's White Paper for jeopardising the unity of the Labour movement.

Acknowledging that the £6 limit was "less than we wanted but the best the TUC could negotiate within the framework of the Government's requirements," Mr. Jones reaffirmed the TUC's strong opposition to statutory pay controls which, he argued, had in the past worsened Britain's economic predicament and was partly a cause of the present weakness.

### Socially just

The new policy was "simple and easy to apply," said Mr. Jones. He added: "It doesn't allow all the exceptions and interpretations which would sink alternative policies. It is fair and socially just in application. The greatest benefit goes to the lower paid—the greatest sacrifice is required of those who can best afford it."

Arguing that it was clearly in the working class interest to keep a Government favourable to the workers in office, Mr. Jones urged support for the Government so as to ensure "the future opportunity to achieve a fundamental, socialist change in the control of the economy."

● The executive council of the Union of Post Office Workers yesterday endorsed "emphatically" the action of the TUC and pledged full support for the Government's voluntary pay policy. After the meeting, Mr. Tom Jackson, the general secretary, said: "Our support for this policy will be absolute. The trade union movement must face up to its responsibilities in the interests of the nation and the Labour Government."

## Pay-monitor call to Government

By Our Labour Staff

THE GOVERNMENT was told yesterday by Mr. Anthony Frodsham, director general of the Engineering Employers' Federation, that if it failed to set up an agency to monitor wage settlements its anti-inflation policy would be unworkable.

He said lack of serious machinery for checking pay settlements had contributed to the failure of the social contract.

He said: "The EEF caught the spirit of the Government's fight against inflation, but the new policy could share the same fate as the social contract.

"If the Government is working in the dark, pay settlements exceeding the limits are bound to get through. Employers will then come under mounting pressure to yield to excessive wage claims just to keep their labour forces together.

"By the time the Government realised what was happening it would be too late, and people would be driving coach-and-horses through the policy."

Mr. Frodsham urged establishment of a monitoring agency in the Department of Employment, where he felt some machinery already existed.

## Observer to study union rejection of redundancies

BY ROY ROGERS, LABOUR CORRESPONDENT

THE MANAGEMENT at the Observer newspaper will meet to-night to discuss the future of the paper following the refusal of the printing unions to agree to the 30 per cent. redundancies it claims are necessary for the paper's survival.

Although the Observer Board of trustees meets to-night, no statement is expected before Monday. In the meantime several printing unions are expected to hold chapel (office branch) meetings to-morrow evening to consider the confusing situation and these could affect production if prolonged.

Over the past few days, Observer management has been holding a series of meetings with its unions which are obliged to reply by this evening the management's call for a one-third reduction in the wages bill for the 700 employees, together with a cut in overtime.

The National Union of Journalists has come up with a dozen or so volunteers for redundancy but the printing unions have reacted differently and at least two—the National Society of Operative Printers, Graphical and Media Personnel (Natsopa) and the Electrical and Plumbing Trades Union—have said they cannot agree to the number of redundancies demanded by management.

The National Graphical Association has suggested certain cost-saving moves but these are believed to involve no redundancies among NGA compositors. Instead, they urge cutting back on some machine room and foundry operations which would in the main hit week-end casual workers.

The unions are clearly worried that if they concede such heavy redundancies at the Observer they will come under pressure to do likewise at other national newspapers almost of all of which are in a loss-making position and eager to reduce manning levels.

They are already under pressure to accept labour reductions in other papers, which are seeking to introduce advanced technological changes. These include the Financial Times, the Daily Mirror and the Daily Express.

The Observer warned last month that it feared making an operating loss of £750,000 for the year and that the paper's future was in jeopardy unless the wages bill was trimmed by a third. It hopes to begin reducing manning levels from the end of this month.

## Customs men seek stress allowance

CUSTOMS MEN walked out of border posts in Northern Ireland yesterday in protest at the Government's refusal to grant them a "stress and strain" allowance.

About 700 men staged a one-day strike along the boundary and in Belfast, Londonderry and Newry.

Customs and Excise staff at English and Scottish ports held meetings to show their sympathy with the Northern Ireland men, leaving their posts in Hull, Liverpool, Newcastle, Manchester and Glasgow and at the East Midlands airport.

A spokesman for the staffs' union, the Civil and Public Services Association, said continued refusal to meet the claim would mean "escalation of the action."

## Stable lads end strike as trainers agree £37 wage

BY MICHAEL THOMPSON-NOEL

THE THREE-month long Newmarket stable lads' strike ended yesterday. At the same time, in a spirited bid to improve wages and conditions throughout the racing industry, the Horserace Betting Levy Board said it was planning a £1m.-plus boost to prize money next year, provided the industry introduced a guaranteed national minimum wage scale by June 1, 1976.

The Board is also pressing for the introduction of minimum weekly training fees, either by the June 1 deadline or thereafter.

Sir Desmond Plummer, the Levy Board chairman, said yesterday: "I feel the time has come to ensure that quick and positive steps are now taken to ensure that the position of the lower-paid workers in the racing industry (the stable staff) is adequately safeguarded."

At Newmarket, the strike by 140 stable lads ended when the Newmarket Trainers' Federation agreed the terms of a six-point settlement with the Transport and General Workers' Union.

The minimum consolidated Newmarket wage will be £37 a week from August 1, compared with the previous basic of £30.83. In addition, stable lads will not be refused reinstatement merely because they have been on strike. A return to work on Monday is expected.

Yesterday's Levy Board initiative is a more sweeping affair aimed at bolstering stable lads' wages throughout the industry. It is expected that the minimum wage and training fee scales will be worked out on a regional basis, so that wages and training fees at Newmarket—racing's HQ—will remain higher than those in the other training areas such as Berkshire and Yorkshire.

The Levy Board's total allocation to prize money next year will rise by more than 30 per cent. to £4,367,300 under the Levy Board plan. At the same time, the deduction from first-place prize money for stable staff is to be raised from 4 per cent. to 5 per cent., bringing it into line with the place-money deduction. (This money goes into a pool at each training yard and is divided among the staff twice yearly.)

The extra prize money allocation is subject to the establishment, by November 30, of "appropriate negotiating machinery" that will enable a minimum wage scale for stable staff to be negotiated by next June 1.

With the important backing of the owners, it is felt that the trainers cannot demur.

Sir Desmond pointed out that apart from aiding the workforce, the new prize money injection would help owners meet their rapidly escalating costs. However, the total prize money pool for next year, nearly £9m., represents less than a third of the total estimated costs of ownership.

Of the prize money increase, £876,800 will go to Flat racing and £421,850 to National Hunt racing.

## Kodak men settle for the £6

By Our Labour Correspondent

AFTER CLAIMING increases totalling about 40 per cent., negotiators representing 9,000 Kodak manual workers have reduced their demands and settled for the £6-a-week limit set by the Government.

When added to threshold payments consolidated into basic rates just before the Government's anti-inflation pay policy was revealed earlier this month, the deal will mean Kodak rates have risen by between 21 and 27 per cent. over the past year.

Originally the Transport and General Workers' Union, sole negotiating union for Kodak manual workers since the Union of Kodak Workers amalgamation with it last year, claimed 28 per cent., a five-hour reduction in the 40-hour working week, an extra week's holiday and an ongoing threshold arrangement.

This was in addition to 12½ per cent. increases which had acrued over the past year under a threshold agreement giving 1 per cent. rises for every 1 per cent. on the cost of living.

Payable from August 3—the Government limit comes into force from August 1—the £6 increases will be paid as flat-rate allowances on top of basic rates ranging between £40.85 and £67.55 a week.

There are Kodak plants at Harrow, Hemel Hempstead, Stevenage and Kirkby.

## AUEW expected to lead £6 pay limit attack

THE ATTACK on the £6 pay limit at September's annual Trades Union Congress is expected to be led by the 1.37m.-member Amalgamated Union of Engineering Workers.

The four sections of the AUEW will combine on a resolution attacking the new version of the social contract in line with union policy decided earlier this summer.

The form of the resolution was agreed at a meeting of the national executive of the amalgamated union yesterday. It had been expected earlier that the AUEW's supervisory section (TASS) would lead the way this year as it did at last September's congress.

Last year, however, unity was secured when TASS withdrew its anti-contract resolution after a last-minute appeal from Mr. Len Murray, TUC general secretary.

Early reactions to the White Paper suggest that support for the AUEW may come from the Association of Scientific, Technical and Managerial Staff and the Society of Civil Servants. The eventual stance of two other big public sector unions, the National and Local Government Officers Association and the National Union of Public Employees is less certain, in spite of initial hostility to the pay curb.

Opponents of the new guidelines are expected to win between 2m. and 3m. of the 10m. TUC votes.

## Scots firemen drop ballot

By Our Scottish Correspondent

REPRESENTATIVES of the West of Scotland's 2,500 firemen have decided to drop the strike ballot which they had planned to hold next month in support of their claim for an interim pay rise.

The move follows the decision by three of nine local leaders who had been expelled by the fire brigades union because of the strike threat to apply for reinstatement. The strike ballot would have been in contravention of a special national delegate conference decision.



## APEX court case begins

BY OUR LABOUR REPORTER

A HIGH COURT judge was told yesterday that the row over a merger between a TUC union and the General Accident Staff association highlights some "unbrotherly, archaic and unsightly features about British trade unions."

Appearing for Mr. Charles Rothwell, who is seeking an injunction to prevent the Association of Professional, Executive, Clerical and Computer Staff acting on a TUC ruling to sever its merger with the staff association, Mr. Anthony Lester, QC, said that the proceedings were "unprecedented, even in the annals of trade unions and the rule of law in this country."

Yesterday's hearing was adjourned until to-day after Mr. Lester's outline of the background to the case, which stemmed from a challenge to the merger by Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs.

A TUC disputes committee upheld the ASTMS challenge and the case is partly a test of the legal status of the TUC's inter-union disputes procedures.

# Technical Page



● RESEARCH

## ESA's first satellite ready to go

FIRST satellite to be launched by the new European Space Agency (ESA) is due to be placed in orbit during the first half of August from the Western Test Range (California).

A scientific satellite designed to study extraterrestrial gamma-radiation, COS-B is the eigth satellite developed by European industry for ESA's predecessor, the European Space Research Organisation.

Industry in seven of the ten ESA member states (Belgium, Denmark, France, Germany, Italy, Spain, U.K.) has participated in the construction of this new European satellite.

Prime contractor was Messerschmitt-Bölkow-Blohm of Munich, and the project was managed by the European Space Research and Technology Centre (ESTEC), Noordwijk, Netherlands.

COS-B will carry a single payload which can be considered as a remotely-controlled astronomical laboratory designed to study radiation emitted from known and assumed sources of gamma rays.

This cylindrically shaped satellite weighs 278 kg including the payload and will be launched by a Delta 2913 vehicle. An operational life of two years is foreseen so that 24 targets can each be studied for approximately one month. The orbit will lie between an apogee of 98,000 km and a perigee of 3,000 km.

● DATA PROCESSING

## Big files sorted in seconds

AN EFFECTIVE means of creating and updating an accurate master index is vital to the efficient running of the medical records department in any modern hospital—and in any large multi-department complex.

To-day, many hospitals are still using master indices consisting of hundreds of thousands of cards housed in numerous filing cabinets. But research has proved that many of these manual indices have a very high error content, amounting to 15 per cent. or more, which does not take into account the additional problems created when index cards are removed and not returned.

After the opening of the new Royal Free Hospital in Hampstead, which incorporates the function of four other hospitals in its records, it was observed that there were no fewer than six different master indices involving 430 filing drawers holding in excess of 1,250,000 record cards, many of which were in bad condition.

As the hospital had no in-house computer system capable of helping to process this sort of information, plans were set in motion to implement a new and economical system. After considerable research into cost-effectiveness and efficiency it was decided to use a SISCO system which produced the master index, sorted into alphabetical sequence, on microfiche film which could be viewed on a normal microfiche viewer. One of the big advantages of the system is that as many copies as required can be distributed throughout the hospital to strategic positions.

The system is based on the use of a Singer Business Machines 1501 intelligent terminal and 1551 printer in conjunction with the production of the master records on microfiche film.

All registration data such as name, address, date of birth, marital status, etc., of new in-patients to the hospital is fed to the system through the keyboard of the 1501 terminal (which is a little larger than an electric typewriter) and a magnetic tape cartridge containing all the data is produced.

At the same time the 1501 allocates a unique and consecutive number to each patient, according to category, thus eliminating the possibility of record duplication.

The system copes with 1,000 new registrations each week.

The fiche-based system cost approximately £8,000, and, by comparison with interactive systems is an inexpensive solution to the problem of keeping and updating an accurate master index within the hospital.

Singer Company, Wedgwood Way, Stevenage, Herts. Stevenage 4343.

● PLASTICS

## Plastics underseal

ANTI-CORROSIVE cladding material originally developed for the construction industry is being used by Leyland Motors in Australia to underseal the Leyland National Bus.

Isoclad is a water-based plastics co-polymer compound produced by Liquid Plastics, Preston, Lancashire (0772-58781). It forms a thick flexible membrane which stretches like elastic and its noise-deadening qualities claimed to be superior to those of conventional underseal. Formation of rust is controlled by an additive.

In the event of damage to a vehicle undersealed with Isoclad, rust creep is greatly reduced. And the Isoclad itself is easier to repair effectively. Any consequent tear in the material is simply filled in, and when the water evaporates in the curing process the polymers are cross-linked with those in the original underseal.

Isoclad can be used effectively on rusty areas of metal, provided they are first cleaned and coated with metal primer. Ability to withstand more than 1,000 continuous hours of salt spray without deterioration has been demonstrated.

● PERIPHERALS

## Fast matrix printer

INTRODUCED BY U.S. General Electric and available in the U.K. from Teleprinter Equipment, 70 Akeman Street, Tring, Herts (Tring 4011) is the Terminet 30 matrix impact printer.

Main features are the low initial cost, speeds of 10, 20, or 30 characters/second (up to 120 with tape) and the choice of many modular options, most of which can be added by plugging in a circuit board. Paper can be changed quickly and easily in the field from four to 9½ inches.

Maintenance is also claimed to be easy. For example the print head can be changed by the operator without special tools and there are only two printed circuit boards in the basic machine. The unit uses an easily installed continuous ribbon loop cartridge which needs relatively infrequent changing and does not soil the operator's hands.

Options include 132 column print, vertical tabulation and form feed, lower case printing, answerback, integral 300 baud modem and several others.

● PROCESSES

## Low film weight coatings

CRODALUX powders are suitable for use with hand or automatic electrostatic spray equipment and include epoxy, polyester and polurethane formulations.

Newly developed low film weight powders have been included to allow lower coating thickness to be achieved.

With the rising costs of wet paint systems, powder coating is now comparable in cost per square foot of finished surface. Where multicoat wet paint systems are in use, powder—always applied in a single coat direct to base metal—will prove a good deal more economic.

Coupled with the advantages of improved working conditions, greater turnover per square foot of floor space, and reduced fire hazard, powder coating is becoming an increasingly attractive proposition for all manufacturing industry.

Croda Polymers, Park Lane, Harefield, Middx. Harefield 3171.

## Tool steels formed at lower cost

CARBIFORM describes a patented carbide nucleation process developed with the object of reducing manufacturing costs and improving performance of alloyed steel components and tools.

In tool and stainless steels, where carbon levels are above 0.4 per cent., free carbides are present in the structure of the material from the moment an ingot is cast. Their presence influences fabrication of the ingot to its final shape because interstage annealing and controlled deformation are necessary if the metal is to be prevented from cracking and tearing.

Carbiform introduces the carbon before or during final heat-treatment of the finished part with the result that fabrication can be achieved with low carbon content and at reduced treatment cost.

Tools cast with low carbon content can be treated subsequently to give more even distribution of finer carbide nuclei.

In sintered components, the problem of controlling carbon levels during sintering is not an easy one and the process can be introduced here at late stages of manufacture to advantage.

Depth of processing is easily controllable and it can be applied to decarburised tool materials if required.

Metsurf, which is offering the process, is a consultancy in metal processing and holds two provisional patents on aspects of Carbiform.

The company operates from Unit 4, Kelvin Way, Industrial Estate, West Bromwich, West Midlands B70 7JW. (021-553 1971.)

● AUTOMATION

## Doubles drum seal speed

CLAIMED to be twice as fast as existing comparable equipment, an automatic drum sealer capable of operating at a sustained speed of 45 drums/minute has been introduced by Precision Engineering Products (Suffolk), Atlas Works, Cullum Road, Bury St. Edmunds, Suffolk (0284 2097).

It is designed to fit into existing packaging lines immediately after the lidding unit, and measures 1250 x 1500mm. The present model will take drums from 180 to 300mm. diameter with a maximum height of 500mm. It uses pressure sensitive vinyl tape, which can be up to 19mm wide.

Drums can be of metal, fibreboard, cardboard or plastic, providing the drum is sealed on its circumference. The only operator task is to replenish the tape magazines.

The machine is twin line, and if one taping head has to be stopped the other can continue. The drums are placed on turntables by pneumatic arms, and turned through 400 deg. to give an adequate tape overlap.

● INSTRUMENTS

## Speeds up celestial navigation

FASTER AND more accurate sight reduction in celestial navigation at sea can be performed with a computer unit introduced by Micro Instrument Company in the U.S. and available in the U.K. from Parry-Bradley, Royal Chambers, Station Parade, Harrogate (0423 68425).

Using the unit, called Galaxy 1, the user presses a button and receives step-by-step instructions guiding him through the complete sight reduction process. No table references or manual calculation are needed and the company claims that the unit can be used by the novice after his first evening's practice with a sextant.

An additional feature allows the navigator to find the approximate azimuth and elevation of celestial bodies so that he can pre-set his sextant. This is simply a matter of keying in data associated with the desired star, estimated position and estimated time of observation, and the computer produces the approximate altitude and azimuth of the body. Sextant, chronometer and Nautical Almanac are all that are needed.

The unit also has a four function calculator so that fuel consumption, time, speed, distance and other calculations become easier.

## Biochemical work load lightened

AN ELECTROLYTE analyser, the "2 + 2" has been developed by Vickers Medical to handle the electrolyte profile which is the bulk of the work load in the biochemistry department of every pathology laboratory.

The instrument utilises the JL343 flame photometer to analyse for sodium and potassium and two further analyses, chosen from chloride, total carbon dioxide, urea and glucose are performed calorimetrically using the Vicker Mk 4 photometer. The four results are recorded digitally in sequence.

At 300 sample/hr. the instrument handles the electrolyte work load in a fraction of the time normally taken where there is no high speed automation available. However, the sampling rate can be adjusted down to 60 sample/hr. if required. More from the company at South Marston Works, Swindon SN3 4RA (079382 3241).

## Printer for digital meters

INTENDED FOR recording data from digital multimeters, electrometers, pico-ammeters, nanovoltmeters and similar instruments is the model 750 printer from Keithley Instruments, 1 Boulton Road, Reading, Berks. RG2 0NL (0734 861287).

Plug-to-plug interfaces are available for most of the company's instruments, and for some other makes. The 750 prints all the information in the instrument's digital output including range and engineering units in many cases. The print mechanism has a print drum with an unusually complete complement of engineering and scientific symbols.

A continuously variable print interval control makes the unit easy to use. At the maximum rate of 2½ lines per sec the 750 can produce more data than is often needed in some applications: the interval control allows the rate to be slowed down to a more convenient speed without the need to interface an external timer.

Printing 18 columns on 2¼ in fan-fold or roll paper, the printer measures 390 x 220 x 190 mm and weighs 7 kg.

● PACKAGING

## Cheaper medical labelling

REEL FED pressure sensitive labelling is popular in the pharmaceutical industry, but the material cost may be three times that of cut labels.

Johann Weiss, of Berlin, has developed a labelling machine based on its standard Jowe-Junior, in which the label magazine is replaced by a unit which unwinds the label web from a reel and cuts to individual labels. These are taken and applied by the machine in the normal way.

Cutting is controlled by photo-electric sensors which pick up register marks on the printed reel. The machine can operate with both wet glue and heat sensitive labels. Date/batch coding or code reading can be fitted, and operating speeds up to 10,000 bottles/hour can be achieved.

Body label sizes are 20 to 80 mm. wide, 18 to 100 mm. high, and wrap-around labels can be up to 155 mm. wide and 100 mm. high—container diameters from 15 to 80 mm. U.K. agent is Anglo Continental Machines, Marbaix House, Bessemer Road, Basingstoke RG21 3NT. (0256 61881).

● COMMUNICATIONS

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# The Executive's World

## Michael Donne reports from Seattle how Boeing is

# Playing the X to win

AT A TIME when the U.K. aerospace industry is beset with uncertainties over issues such as Nationalisation, and the European industry is just as divided on how best to combine for the future, one major U.S. aircraft manufacturer appears to have a clear conception of what it is doing and where *it is going.* Boeing, of Seattle, which has already built more jet transports (2,812 by the end of last year) than everybody else put together (2,727) is fully engaged across the spectrum of subsonic airliners and is actively preparing a new generation of jets for the 1980s and beyond. As a result, what Boeing says and does over *the next six* months could have far-reaching consequences for the European aerospace industries.

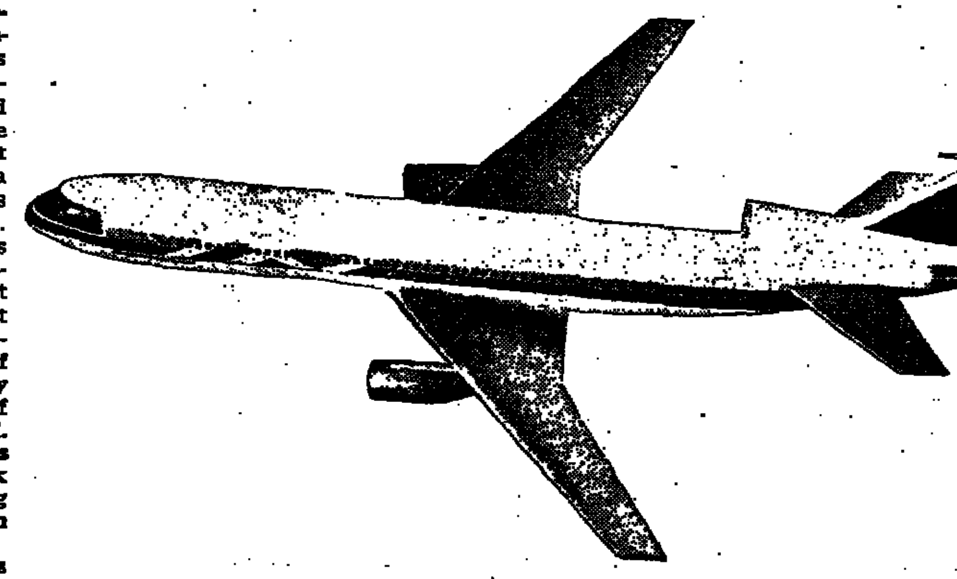
*The company now employs 30,000 of its 50,000* workers on jets (the rest are engaged on military aircraft, missiles and space, and diverse other ventures such as hydrofoils). The company slashed its labour force from a peak *of 101,000 in 1968* to a low of 37,600 by the early 1970s in a dramatic bid to stay alive, and now aims to stabilise around the 50,000 level, undertaking all new programmes within that figure. Last year, its jet sales totalled \$2.3bn. (of which 10.4 per cent. or \$241m. were in Europe) against \$531m. for McDonnell Douglas *and \$493m. for Lockheed. Since* 1958, western world jet transport sales have amounted to no less than \$40bn., of which Boeing has won nearly \$21bn. or 52.2 per cent. It intends to retain this dominant position.

Boeing *is confident of an improvement* in U.S. and world economic conditions in 1976-77 —despite some areas such as the U.K., that it frankly sees as grim—and believes that this will be reflected in an improved rate of airline traffic *growth*, and thus in demand for new jets.

## Forecasts

Its forecasts, which are shared by independent air transport analysts, put the growth in passenger traffic at between 6 and 7.2 per cent. a year up to 1985, with cargo traffic *growing* at 9.6-11.5 per cent. Such an expansion would mean that world air traffic by the mid-1980s would be roughly double what it is to-day, and on this assumption, Boeing foresees a ten-year *market for jet transports worth* \$48bn. (in constant 1975 dollars), or about the same value as total airliner sales of all kinds from 1950 to the present day. Breaking down this market, Boeing sees \$24bn. of it in medium-range aircraft, \$14bn. in long-range aircraft, \$8bn. in short-range and about \$2bn. in freight aircraft. About 53 per cent. of sales will be in the U.S., 22 per cent. in Europe and 25 per cent. in the rest of the world, with Japan taking 4.5 per cent., Canada 4 per cent. and Australia 2.4 per cent. Boeing further breaks down the \$48bn. into roughly half *for the replacement* of currently ageing jets and half to meet new traffic growth.

Boeing is still building long-range *707s* at *a rate* of *one* a month, *medium-range* 727s (the world's best selling jet) at 8 to 9 *every month*, and short-range 737s at five a month, with two 747 Jumbos being produced a month. Its sales remain high —so far this year it has won new orders for nine 707s, 31 727s, 28 737s and 14 747s. It sees a continuing market for all these types, with new variants being added all the time—the latest being the Airborne Warn*ing and Control* (AWACS) radar-carrying version of the 707 for the U.S. Air Force.



BOEING 7X7

The other two most significant new variants are the "Junior Jumbo," the Special Performance (SP) model of the 747 — a long-range, shorter-fuselage model that can carry 280 passengers over ranges of more than 6,000 miles. The Jumbo is now also being offered *in all* its variants with the Rolls-Royce RB-211 Dash 524 engine, as well as the Pratt and Whitney JT9D and the General Electric CF6. In the medium-range field, Boeing is offering the Series 300 model of the 727, a stretched-fuselage version with higher passenger loads, quieter engines and a 15 per *cent. improvement in fuel* efficiency over early 727s.

Four airlines have bought the SP, and other sales are in negotiation. Detailed discussions are also in progress with United Airlines, the biggest commercial airline in the world, on a deal over the 727-300, that could involve up to 100 jets with a decision promised by United *this October. This deal will be* vital to the future of the Series 300.

Probably the biggest new venture Boeing is now engaged on, and the one the European aerospace industry probably has *to fear most, is the 7X7*, a \$1,000m. programme for a new family of jets, the first of which will be a 200-seat, medium-range, three-engined aircraft. Boeing has already spent over \$40m. and two years of work on it, including over 1,000 hours of wind-tunnel work, and the design is being refined all the time. Boeing says that if it commits the venture to production soon, it could deliver aircraft for airline service within four years, and that this time-scale will diminish the further along the development gets. Already, some parts of the air*craft, including leading and* trailing edge flaps and entry doors, are being made and tested. There is a rival venture, the McDonnell Douglas DC-X-200, but this is not anything like as far down the development road as the *7X7*, and Boeing, while aware of it, does not seem to be too concerned about its prospective competitive impact.

The aim of the *medium-range* 7X7 will be to fit between the 727s and 747s, with 200-220 passenger loads envisaged *initially*, although a shorter-fuselage variant for 175-200 passengers is also foreseen. *Longer-term derivatives of the 7X7 family* include short-range *and* longer-range models. A feature of the aircraft will be "new generation" engines, using over 30 per cent. less fuel, with two types in the running — either the Pratt *and Whitney* JT-10D, now under development in conjunction with Motoren-und-Turbinen Union of Germany and Fiat of Italy, or the CFM-56 being developed by General Electric of the U.S. and Snecma of France. Rolls-Royce (1971) of the U.K. is now holding talks with Pratt and *Whitney, and could become a* partner in the JT-10D and thus stand a chance of getting a share of the 7X7 programme.

Boeing sees a market for several hundred 7X7s over the next ten years or so, and is *already sounding out airline* attitudes round the world. It is determined to build the 7X7, but the precise time-scale depends *entirely upon the air*lines themselves, with once again United Airlines of the U.S. holding the key. Boeing would prefer to avoid undertaking both the 727-300 and the 7X7 at the same time, not only *because of the burden of costs* involved but also because of the excessive capacity this would generate for the airlines themselves. There would be no sense in swamping the market.

Accordingly the company makes it clear that it intends to wait at least until this October to see just what United Airlines decides to do. If United *decides in favour of the 727-300*, Boeing will go ahead with that aircraft and defer a commitment on the 7X7 until about 1977, with a target date of 1981 for it to go into service.

If another major U.S. airline *followed United and opted for* the 727-300, the 7X7 would be *pushed even further back*, to an in-service date of about 1983. If, however, United rejects the 727-300, preferring to look elsewhere for its jets (it could, for example, *decide* to buy McDonnell Douglas DC-10s), then Boeing will drop the 727-300 entirely and concentrate on the 7X7, with a view to committing it to production at about the end of 1976, with an *in-service target date of 1979-80.*

Boeing says that it would need at least two airlines to place orders for not less than 100 aircraft before it committed the 7X7 to production, and it would concentrate on the major U.S. carriers—American, Eastern, Delta, TWA, for example, as well as United. It would in the meantime go on *selling all its other types of* jets, and even try to beat the McDonnell Douglas and Lockheed L-1011 trijets by offering its 747 SP in their place.

All this must give cause for concern to the European manufacturers, who have been scurrying around trying to get together a consortium to build just such a medium-range air*craft as the 7X7 through what* is called the "Group of Six," including British Aircraft Corporation, Hawker Siddeley Aviation, Aérospatiale, Messerschmitt-Bolkow-Blohm, Dornier and VFW-Fokker. Airbus Industrie of Toulouse which is building the A-300 Airbus, is equally anxious to see Europe's money and effort going towards expanding that venture into a new "family" of jets which could compete with Boeing. So far, no decisions have been taken about what to do in Europe and the industry is still beset with doubts and rivalries.

*Boeing is watching the European* situation carefully, and is making no secret of the fact that it would like to have a substantial proportion of European participation in its 7X7 programme, both to help spread the burden of costs and to widen the market. Already it has a 20 per cent. participation in the venture from Aeritalia of Italy, and there is bound to be some French, German and Italian share depending on which engine the 7X7 uses. Boeing sees about 23 per cent. of the 7X7 market coming from Europe, and in order to win *those sales it is prepared to sub*contract up to 30 per cent. of 7X7 work to European manufacturers, probably with offset arrangements being specially drawn up for those countries whose airlines buy the aircraft.

## Europe

This, however, need not necessarily occur: for example, Boeing has no commitment from *Italian airlines to buy the* 7X7 despite Aeritalia's industrial participation. But Boeing does hope to get this kind of industrial participation and Mr. E. H. Boullioun, president of Boeing Commercial Airplane Company, is visiting Europe regularly in support of the idea. Otherwise, the company would be quite prepared to go ahead alone, just as it has on all its other commercial jet transport programmes to date.

*The company does not appear* to be too concerned about a European competitor to the 7X7, and perhaps has no reason to be in the light of this uncertainty that prevails on this side of the Atlantic. But it is poised *to move* quickly the moment that there is any sign of European airlines' reaching a common procurement decision on a European design. It already has at least a two-years advantage in design and *development* work on the 7X7. It has the productive capacity available at both its Renton and Everett factories near Seattle, *and a pool of labour skilled in* jets upon which to draw. Every month that goes by it is another month knocked off the 7X7 *time-scale*, so that when the time comes to commit the venture to production, work can get under way quickly. It is a formidable prospect that should stimulate the Europeans—if they wish to compete at all—into deciding quickly not only what they want to do but also how they want to do it.

### RIGHTS ISSUES

# If now, why not always?

THE PRECIPITOUS decline in share prices in 1973 and 1974 has resulted in a huge volume of rights issues (the sale of new shares to existing shareholders). The immediate and obvious question *is: why now? A natural* corollary question is: if now, why not always? The crucial question is: under what conditions are rights issues a sensible corporate financial policy?

The popular reason offered by merchant *bankers* and management for rights issues is that the erosion of share prices made this form of equity the only vehicle available to management for raising large amounts of needed new equity to finance capital investment and, thus, to sustain corporate growth.

Investor confidence had been shaken by the performance of the stock market. The FT Ordinary Share Index had declined from *approximately* 543 to 146, the Dow Jones Industrial Average in the U.S. fell from about 1050 to 578.7. Share indices collapsed even more in Hong Kong, Singapore and Manila. The behavior of the stock market during *1973-1974* turned management's attention toward rights issues.

Unparalleled inflation during peacetime increased the cost of equity capital and due to the absence of inflation *accounting* on tax accounts, reduced expected rates of return on *new projects.* At the same time the increase in Government intervention, through wage and price controls, threats of nationalisation and *the* restructuring of society's social welfare "priorities," added to *the risks of doing business.* And the precipitous decline in share prices, a proper reflection of these policies and pronouncements, *led investors to* believe that rates of return on projects would not adequately *cover the cost of capital.*

For those managements who believed either that corporate performance would be adequate, or that their company's *survival* required an injection of new equity, no matter how *uneconomic* continued investment might be, a rights issue appeared to be a last resort.

The justification was simple: current shareholders *must have* had sufficient confidence in the firm's future: otherwise, they, too, would have liquidated their holdings, converting their shares to cash or at least less risky assets, thereby depressing share prices even more. From managements' viewpoint, addi*tional equity could reduce dan*gerously high levels of gearing or provide the base for increased corporate borrowing and, hence, accelerate the momentum of economic recovery. That is, companies no longer would have to rely on bank borrowing and bond sales as sources of expansion capital.

Such reasoning, however, is unnecessarily shortsighted. A strong case can be made that, aside from shares issued in *mergers and acquisitions* or retained earnings (which is equivalent to paying dividends followed by a compulsory, pre-emptive rights issue), *rights issues are the only proper source of new ordinary equity if management is to fulfil its ethical obligation as fiduciary agent for ordinary shareholders.* Hopefully, the current wave of rights issues will not prove to be a passing fad.

The basis for this position *rests* on two key assumptions: that the expected rates of return on investment projects are at least equal to the cost of capital: and that management is not completely certain that the firm's current share price is a fair reflection of corporate plans and expectations.

*Efficiency is* not perfect and management often should not release plans that can offer comfort to competitors. That is, under the best of circumstances, management usually is right that the current share price is *less than the intrinsic value cal*culated from the firm's plans. Consequently, issuing new shares to new shareholders can dilute the existing shareholders' interest.

There is only one technique available to management for avoiding this dilution. It is a rights issue, offering current shareholders the *right of first* refusal. If the shareholders do not exercise their rights, they can sell their rights on the open market.

*Selling new shares to existing shareholders below fair value is equivalent to issuing the shares at fair value and, simultaneously, issuing a stock dividend whose value is the difference between the current share price and the fair price.*

**JOEL STERN**
*A Vice-President of Chase Manhattan*

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FRIDAY, JULY 25, 1975

# A million out of work

THE FACT that the official figure of unemployment has now jumped to well over a million, even if one leaves Northern Ireland out of account and those workers who were only temporarily laid off on the day of the July count, is of major political as well as economic and social significance. It is true that the greater part of the latest rise is due to the sudden arrival at employment offices of school leavers and adult students: Mr. Foot might have argued, had he been a cleverer statistician and a less honest Minister, that the seasonally-adjusted total of the wholly unemployed has still a little way to go before reaching the million. But the trend is now running so steeply upwards that there was little to be gained from such quibbling. Indeed, the passing of the 1m. mark was so inevitable and so inevitably bound to cause a strong emotional reaction that, in any terms but those of individual suffering, the sooner that particular milestone was passed the better. It is not altogether a bad thing from the Government's point of view, with the TUC and Labour Party annual congresses in mind, to be dealing with facts rather than fears.

The growth of unemployment, after allowance for seasonal factors, has been accelerating steadily for several months past. Some crumbs of comfort may be derived from the fact that regional disparities are not so marked as they have sometimes been in the past, that the drop in the number of unfilled vacancies (now less than half last year's level) is no longer accelerating, and that more than a third of the unemployed have been without work for less than a month or are aged over 60.

### Redeployment

The best hope of beginning to cut back unemployment sharply in the second half of next year now lies in the success of the Government's attempt to hold down costs and prices, and in the voluntary restraint of wage increases which is a part of that attempt. The latest report of the Price Commission could scarcely, therefore, have been better timed from the Government's point of view. The Commission repeats that the major cause of rising prices at present is rapidly rising labour costs. It reports that there has been a temporary decrease in the growth of inflation (excluding special factors like Budget changes) which provide a good opportunity for direct intervention of the sort which the Government has now supported. And its remarks on company profitability—the profits of large manufacturing companies and distributors are still at only about 50 per cent. of reference level—fully bear out the Government's attempt to restore the level of profitability as a prelude to the increased capital investment needed to support the next upturn in demand.

### Inflation

The crude unemployment figures, in other words, tend to exaggerate the real seriousness of the situation—especially since the institution of better unemployment benefits and the lengthening of the average time spent in finding a new job—and the level of unemployment in this country is still, in percentage terms, well below that ruling in several of our main industrial competitors. For all that, the level of unemployment is higher than anything we have experienced since the last war, the Government is resigned to the fact that it will continue to rise for some months longer, and yet no attempt can be made to remedy the situation by an overall stimulation of demand.

The whole force of Government policy, in fact, has now been put behind the argument that conventional stimulation of this kind is out of the question until inflation has been brought under control and that its new policy for incomes—actively supported, it is to be hoped, by fiscal and monetary policy—is designed to satisfy this pre-condition of renewed expansion. Something is being done to alleviate the situation by increased training facilities, which might be more effective if re-training were made a condition of unemployment benefit and if more steps were taken, especially in the field of public housing, to encourage labour mobility.

# Holding the line in State industry

THE GOVERNMENT'S policy of phasing out deficit financing in the nationalised industries by the end of the present financial year was intended to apply to the coal industry but not to the railways, both of whose results appear to-day. Thanks to last year's substantial rise in coal prices, the Coal Board managed to meet the Government's target in the year to last March. It turned an operating loss of £130m. in 1973-74 into a profit of £33m. and this was just sufficient, after taking in extraordinary items and interest payments, to allow the industry to break even.

In a sense, the turnround was even better than these figures suggest, for the Board received £62m. less in social grants under the Coal Industry Acts last year and provided £4m. more towards the special compensation fund for miners suffering from pneumoconiosis.

### Most concern

The industry's situation is nevertheless disquieting. Last year's financial success was achieved only at the cost of eliminating virtually the whole of the price advantage coal had over oil. In electricity generation, coal's biggest market, the price of coal is already close to the cross-over point where substantial tonnages would again become uncompetitive. Sir Derek Ezra, the Coal Board chairman, has now warned that the industry will be able to avoid a further increase in pit-head prices this year only if there are no strikes, the miners are prepared to settle within the £6 ceiling, the industry is able to achieve cost savings, and if in addition the target of an annual 5 per cent. improvement in productivity is met. The miners' leaders have called for a ballot on the Government's counter-inflation programme and this will be held next month, but it is the trend in productivity which is currently causing most concern.

The Board is now giving this problem top priority and rightly so, for it is the industry's future role and size which is at stake. Last year's Plan for Coal envisaged a level of profitability sufficient to finance half the costs of an expanded investment programme so as to replace obsolescent pits with 42m. tons of new capacity and hold yearly deep-mined output at at least 120m. tons. But this in turn depended on two crucial conditions—coal remaining competitive with oil, and an annual 5 per cent. improvement in productivity.

Coal at least still has a fighting chance which is more than can at present be said about British Rail. Its losses last year are put at £157m., but this was after crediting £154m. in passenger grants. In all, some £394m. of the public's money had to be pumped into a business which was able to earn £772m. commercially. The bill this year will be still higher: the latest estimate is £330m. in passenger grants, £70m. for freight, and a further £90m. to help fund railwaymen's pensions. This is after allowing for the revenue benefit—probably about £25-£30m.—of a further capital reduction.

### No question

A detailed programme of retrenchment covering prices, productivity, manning, and the level and extent of railway services is now being worked out. There may well be a case for the taxpayer supporting a margin of rail services which rail users do not wish to pay for commercially. But there can clearly now be no question of retaining the range of services which British Rail has been allowed to operate since the Beeching re-shaping programme was brought to an abrupt halt a full decade ago.

With the Daniel Doncaster bid closing to-day, Rhys David examines independent steel's changing face

# Sheffield steels itself for more rationalisation

AGAINST a background of doubt caused both by the present world recession and uncertainty over Government intentions, the Sheffield steel industry has recently been adding a few more lines to its already complex family tree. The latest of a series of mergers and takeovers have involved the forging concern, Daniel Doncaster, the high-speed cutting tool steel manufacturer, Sheffield Twist Drill and Steel, and two large international groups — International Nickel of Canada and SKF of Sweden.

International Nickel's offer for Daniel Doncaster, accepted by the Doncaster Board, closes to-day, while SKF has won control of Sheffield Twist Drill.

Other recent moves have also seen an important maker of tool steels and of tools, Balfour Darwin, join forces with Edgar Allen after an abortive intervention by a third Sheffield concern in the same field, Sanderson Kayser. A sizeable group of shares in Johnson and Firth Brown, the biggest Sheffield group, has also changed hands this year, and JFB has itself been engaged in a battle to win control of N. Greening, a wire producer, in which it had built up a 15 per cent. shareholding. On Tuesday, the Greening Board agreed to recommend acceptance of a revised JFB offer worth more than £7.6m.

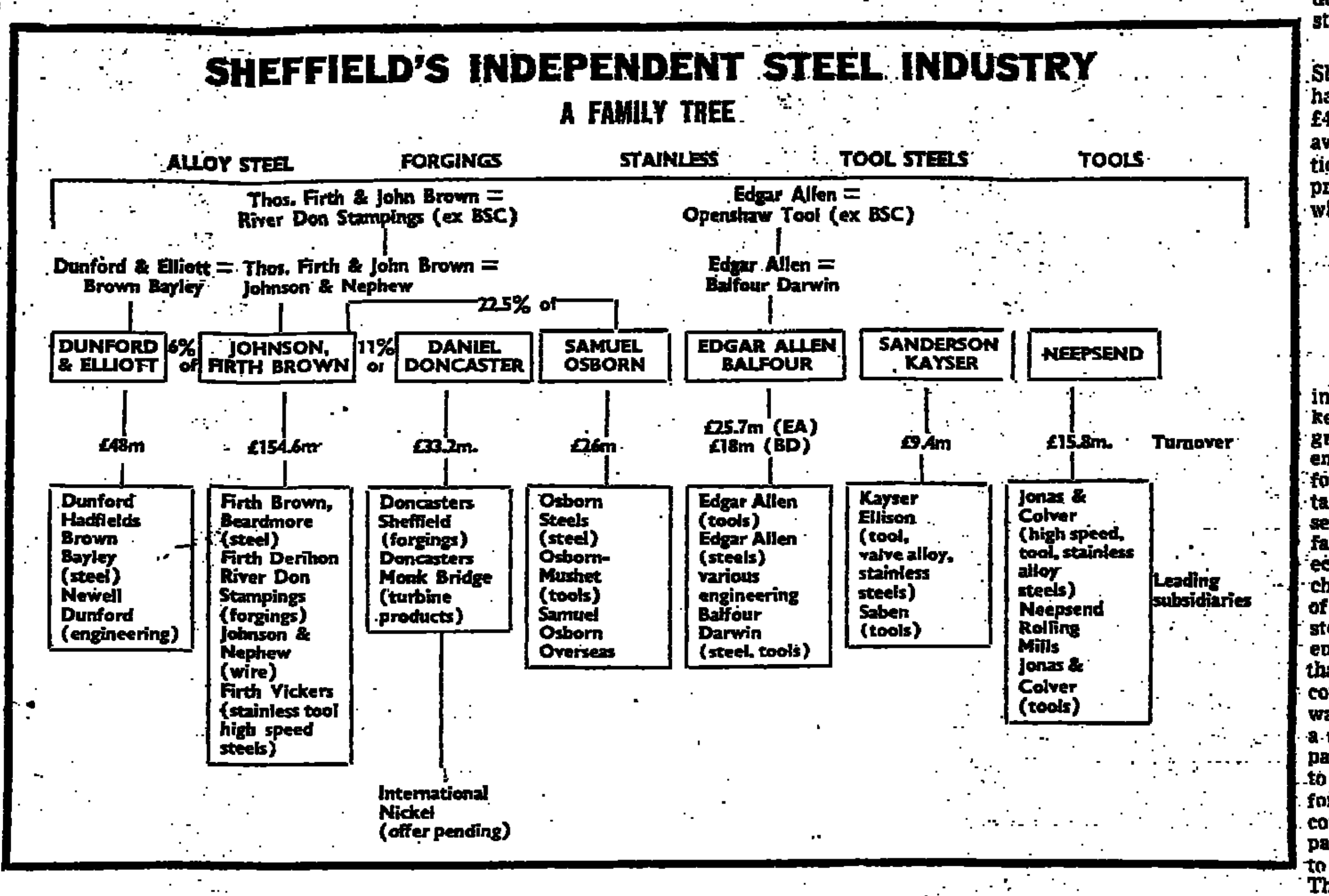
Thus rationalisation—a process which has been going on intermittently ever since the bulk of the steel industry was taken into State ownership in 1967, leaving behind a somewhat fragmented group of independent steelmakers—is once more under way in Sheffield.

Nationalisation took into the public sector those companies producing more than 475,000 tonnes of steel a year and catering by and large for the mass market in steel. It left in the hands of the private sector—much of it in Sheffield, though with important branches in the Midlands, South Wales, Manchester, Scotland, and the North East—the supply of a variety of specialised steel and steel products usually produced only in low volume.

## Alloy-steel forgings

Thus virtually the entire production of high-speed tool and magnet steels is in the private sector and, in this case, in Sheffield. A very high proportion of steel and alloy-steel forgings also comes from the private sector companies. The British Steel Corporation supplies a large proportion of the alloy and non-alloy steel used in forging, but there are also substantial private sector producers: in particular Johnson and Firth Brown, and Dunford and Elliott in Sheffield and GKN in Brymbo, North Wales.

Private sector steelmakers also make the vast bulk of the stainless steel bar produced in Britain, with the BSC concentrating its efforts on stainless steel flat products. But although, partly as a result of various moves to tidy up some of the ragged edges between the public and private sectors, a division of labour between the two is now fairly clearly established, the problems in each case have been much the same. Like the BSC the private sector—which accounts for about 10 per cent. by volume of steel production in the U.K.—has been searching for economies of scale and it is this which has been behind much of the re-grouping that has taken place.




In Sheffield alone there are more than a dozen independent companies which start in steel at the melting stage, some of them producing only very small tonnages. The forging of sophisticated alloy steels is in the hands of specialist companies like JFB and Daniel Doncaster, but at the less specialised end of the market—open forging of carbon steel—there is still a very large number of companies both in Sheffield and in the North East and Scotland. The result has been excess capacity, which has led to fierce competition, low prices and an inability to find sufficient resources to invest in modern equipment. In tool and high-speed steels—a sector with a total output of only around 30,000 tonnes a year—there are at least a dozen manufacturers, some with very small outputs.

The result has been pressure from a variety of sources for a re-grouping in Sheffield, with the unions and local Labour MPs calling for the creation of a publicly-owned special steels sector embracing some of the more important manufacturers.

This idea was advanced in particular earlier this year because of the problems being experienced by Jessel Securities, which put on offer its 30 per cent.-plus stake in JFB, a key company in any plans to re-structure the Sheffield steel industry by virtue both of its size and the importance of its product range. The Jessel shares were eventually placed with a group of City institutions, but only after a long period of uncertainty in which it had appeared possible that the BSC would step in to buy JFB. This would have been welcomed by the unions if it had paved the way for a new special steels sector, possibly under National Enterprise Board rather than BSC control.

As well as focusing attention on some of the problems of the Sheffield steel industry, JFB is also an example of the progress towards rationalisation that has already taken place. The company was put together only 2½ years ago as a result of a merger between Johnson and Nephew, a Manchester-based wire producer and one of the original Jessel industrial companies, and Thos. Firth and John Brown. With a turnover of more than £150m., the company is by far the biggest of the Sheffield-based concerns and its activities range from special steels, forgings, rod and wire and non-ferrous metals through to property.

In steel the company has followed a policy—started by TF and JB before the merger—of moving towards the top end of the market. And the intention now, according to Mr. Philip Ling, the general manager appointed by Jessel, is to take it further along this path. At the main alloy steel plant, Firth Brown, £3m. has been spent on sophisticated new melting capacity specially designed for high precision alloy steel-making. Parallel investment has taken place in remelting equipment and in forging. The stainless steel operation—Firth Vickers—is now devoted to bar production, following a deal which saw the transfer of stainless steel flat products to the BSC in return for forging interests at the River Don works.

Under this agreement the BSC retained the very heavy forging capacity at River Don—capable of producing forgings from ingots of up to 200 tonnes and needed, for example, for huge power station components. A further deal between the Corporation and JFB over this part of the plant cannot be ruled out, however.

The acquisition of stakes in companies with complementary or relevant downstream activities has been another part of the JFB strategy. Apart from Greening, the company had built up an 11 per cent. holding in Daniel Doncaster, which is a leading supplier of alloy steel forgings to the automotive industry and other branches of engineering, and of high nickel alloys to the aerospace industry. JFB's hopes of extending its forging interests through a closer relationship with Doncaster have been thwarted by the International Nickel bid, but the company has another iron in the Sheffield fire through its 22.5 per cent. holding in Samuel Osborn, an important producer of tool, high speed and stainless steel, and of tools.

JFB is also in low alloy steels, a sector where another major concern was built up with the merger last year between Dunford and Elliott and Brown Bayley Steels. This group, with a combined turnover of £48m., is the biggest producer of bulk alloy steel in Sheffield and has been able to plan its strategy and its investment accordingly. One of its first post-merger decisions was to uprate the Brown Bayley plan to spend £4.5m. on a re-equipment scheme, including a new electric arc furnace. Instead, at a cost of £9.1m., a wider scheme has been introduced which, the group hopes, will give it, with other improvements, a fully integrated and balanced complex of steelmaking, rolling, re-rolling and forging.

In tool steels there have also been moves towards rationalisation though the process here still has some way to go. Edgar Allen has followed its acquisition of the BSC's Openshaw Tool Works with the purchase of Balfour Darwin to create a new group having a turnover of more than £40m. and a capacity of 15,000 tonnes a year. According to Mr. John Oakley, chairman of Edgar Allen, the result will be a stronger overseas marketing effort and increased investment in modern machinery. This still leaves a number of companies outside any wider grouping, including Sanderson Kayser (turnover £9m.) and Neepsend (turnover £11m.), though Neepsend is more significant as a producer of finished tools than as a steelmaker.

The other big group in Sheffield is Arthur Lee which had a turnover last year of £43m. but which has now moved away from hot metal to fabrication and processing of steel as a producer of steel bars, strip, wire and wire rope.

## Threatening viability

Whether the smaller concerns in different sections of the market get drawn into the big groups which have begun to emerge, or indeed whether other forms of rationalisation now take place in the independent sector, depends on a number of factors, some political and some economic. Mr. Peter Edwards, chairman and managing director of Dunford Hadfields, D. and E.'s steelmaking subsidiary, told employees earlier this month that the present recession, coupled with rapid cost inflation, was threatening the viability of a number of private sector companies. He warned of the need to reduce the size of the labour force. Thus economic pressures could force a number of companies to go out of business or to seek to join stronger groups. There is also the possibility, as with Daniel Doncaster and Sheffield Twist Drill, that overseas companies—tempted in part by the relative cheapness of U.K. concerns following the fall in the value of sterling—will move in to acquire parts of the industry. Such a trend, as well as removing control from Sheffield, could also make it more difficult to devise a rational structure for the different independent steel sectors.

The political possibilities are even harder to assess. The Government has made known its wish to exercise a greater degree of control over investment in the private sector, where it sees the spread of the mini-mill concept as a potential threat to the BSC, which is in competition for scarce supplies of scrap. There also remains the spectre of Government involvement in the industry through the National Enterprise Board, which unions and some MPs are calling for.

In the end, the industry's success in dealing with the economic pressures may determine the strength of the political pressures it has to face. If the industry—and in particular the major groups that have begun to emerge—can weather the present downturn and even put it to good use by rationalising facilities—it stands a much better chance of being left alone to carry on the task of re-structuring.

# MEN AND MATTERS

## Switch at the top shops' shop

Healey and Baker, the "tops in shops" among estate agents who helped in the 1930s to build up the great multiple chains of Montague Burton, J. Sainsbury, Marks and Spencer, Woolworth, the Fifty Shilling Tailors, J. Lyons, Tesco, Boots and many more, has got a new senior partner in Peter Winfield. Both he and the retiring chief, Mervyn Orchard-Lisle, share a nostalgia for those days. Orchard-Lisle already active then, says bluntly that there were more brilliant men in property in that decade, more traders with a real nose for the right site. The name he adds from the pure property side is Lord Samuel's.

For Orchard-Lisle, there hasn't been a decade of normality in property since. He thinks we might get one again now. But he can't help showing disapproval of some of the easy pickings available from the post-war boom until last year. His successor Winfield says "Two years ago all the young men with Rolls-Royces and yachts got angry and called me square."

Few firms would dare to air such lofty views, afraid of cynical retorts. But Healey and Baker has been around 155 years as an independent partnership that does not run companies for itself on the side. Winfield can say that property has largely itself to blame for its present bad name without sounding too po-faced. Healey and Baker "play it down the middle," he says (he is an MCC member).

For the future Orchard-Lisle maintains that successive governments' checks on commercial property might finally have done the industry some good his argument being that the politicians finally frightened themselves badly by having to realise how much at the heart of the economy property is—"It's what you can hock." Winfield says the investment money is still there.

Healey and Baker, on its investment side, act for the National Coal Board superannuation funds, also those of the West Midlands, second biggest local authority after the GLC. The figure Winfield quotes for what he can invest this year on their and other funds' behalf makes one wonder what the property crisis is about until the proviso about "prime sites" is mentioned.

"We will be around for another 150 years, at least we aim to be," says Winfield, 48, while indicating a few bright stars who have not lasted a decade. But in the retirement of Orchard-Lisle — though a partial one since he will act as consultant in what Healey and Baker hopes to turn into a network of European national practices — the partnership sees the end of an era.

Mervyn Orchard-Lisle, and his brother Aubrey, a previous senior partner now a consultant partner, started in the late 1920s when Maxwell Joseph was learning the business in the same agents, Ernest Owers. Orchard-Lisle got 10s. a week, Joseph 12s. 6d. After some research they found Joseph had the bonus because he could type.

## Gambling dues

It is more or less an accepted truth that Portugal, in the midst of political upheaval, has seen its tourist trade slump as part of the overall economic depression. But that may not tell the whole story. Take the case of the casino in the resort of Estoril. A revolutionary workers' committee, embracing almost all except the highly-paid croupiers, has been examining the monthly accounts, with the claimed result that any quiet siphoning off of cash has been stopped. "There is no effective control over casino revenues in Portugal," says one of the committee men. "Since March this year, when we really got our scrutinising power, our revenues have gone up by 50 per cent., although there has been a fall of 30 per cent. in the number of gamblers compared with last year."

Tension between the croupiers and the rest of the workers has been running high, to the point where at one stage this week, the croupiers even stopped work for three hours. They were persuaded back by 1,400 assorted doormen, lifeguards, barmen, waiters, chefs and even accountants. The croupiers, it seems, want to wrest power away from the committee which they think is running the business into the ground to make way for nationalisation.

According to the committee, the croupiers are really upset at the prospect of differentials being eroded. Even though four of the casino's six owners have fled abroad, "we're not pressing for workers' management. All we want is to scrutinise the accounts, make sure where the money is going and that there is no more funny business."

But isn't all this gambling and the building of a new socialist society incompatible? The workers claim they are following an impressive example: "Cuba is bringing it back now."

## Demos and demolition

There is now a distinct possibility that the Russians will have to go through the inconvenience, embarrassment even, of a public inquiry into their plans for a new embassy in London. At the moment they occupy three buildings in Kensington Palace Gardens, "Millionaires' Row." Their plans are to keep the Residence, but to transfer all Embassy activities to a brand new building on the site of their Consular office at the Gardens' corner with Bayswater Road.

Apart from being a move of doubtful wisdom since this is precisely where all anti-Soviet demonstrators gather to attract the most attention, the plans involve the destruction of some 19th century buildings of architectural interest. Conservationists have taken note and are already preparing to object when the plans are submitted for planning permission.

Meanwhile, change may also come to our embassy in Moscow. Long the envy of the diplomatic corps because of its superb position on the Moscow River right opposite the Kremlin, the grand 19th century mansion that serves both as Residence and Embassy is threatened with destruction. The Russians want to flatten the whole area, which contains some of the pleasantest streets in Moscow, and turn it into a park, complete, according to those who have seen the plans, with "socialist" sculpture and monumental perspectives.

The Foreign Office has mixed feelings about this. It would prefer a modern building with extra space, but doesn't want to quit its prized site. However, Soviet planning being what it fortunately is, the demolition teams aren't expected for at least ten years.

## Chicken or egg?

The Price Commission's latest quarterly report costs £1.55, against only 86p for the comparable item only six months ago—a rise of 80 per cent.

Observer

POLITICS TO-DAY

BY DAVID WATT

# When political ambiguity is a crime

THE main political events of the past week, taken altogether, revive one of the oldest and most difficult of practical questions in a democracy—when is it right for politicians to tell the whole truth and when should they blur the issues?

In the Commons debate on the "Attack on Inflation" White Paper the essence of the argument was precisely this. On the one side the Government was attempting to present its incomes policy as a voluntary affair, notwithstanding the statutory powers required to make it operative and the threat of further statutory powers required to produce voluntary consent. On the other side stood two eloquent proponents of plain speaking. Mr. Edward Heath wanted the Government to spell out the fall in living standards that the public will face when prices rise later this year, and the high levels of unemployment that will necessarily be involved. Mr. Enoch Powell, from a rather different point of view, fulminated against the derelictions of "men who are not prepared to tell the people what is the cause of our difficulties and what will be the price of ending our difficulties" and "the mystification which is being practised on a grand scale upon the nation."

## Old guard

Meanwhile, in Newham, North East, the local Labour Party management committee was busy renouncing its MP on the grounds, not that he had failed to serve his constituents, or even that he had been guilty of Socialist heresy, but basically because he had been guilty of too much plain speaking. Mr. Reg Prentice's chief offence was to have said loud and clear (a) that "moderates" in the Labour Party should stand up and be counted; (b) that he approved the bi-partisan effort involved in the pro-Market referendum campaign; and (c) that he had no sympathy with the two men now in Shrewsbury gaol for conspiracy in connection with violent picketing. The Left have been gunning for Mr. Prentice for some time, but it is probable that if he had not spoken his mind in public on the three issues just listed he would not have upset some of the old guard in his constituency, and he would probably have survived.

The bystander's instinct, when confronted with this sort of issue, is naturally to take the side of honesty, forthrightness and courage. Of course the country should be told the truth about our present predicament; and of course Mr. Prentice should be allowed to shout the truth as he sees it (and, incidentally, as many other people in the Labour Party see it) from the rooftops. But before we accept this easy conclusion let me complicate matters a little by putting the opposite case, on behalf of, let us say, Mr. Harold Wilson or Mr. Tony Kelly.

Mr. Wilson has been a master of equivocation for so long that I doubt whether he could explain himself on the matter of the economy—at least not unequivocally. It has all become a question of instinct. But if he were able to do so, he might say something like this: "I am dealing with an unprecedentedly difficult situation and I am condemned to juggle in order to keep three balls in the air at once. First I must try to keep my Cabinet and my party more or less together. Neither will survive, in all probability, if Michael Foot resigns. Michael Foot will stay so long as the blessed word statutory isn't used. You and I may think this is a bit naive, but then Michael does not have a streak of naïveté and he is looking over his shoulder all the time at the unions in general and Jack Jones in particular."


Mr. Reg Prentice yesterday after his local party's decision to seek his resignation as MP at the next election: guilty of too much plain speaking?

"That is the second ball. The trade union leaders are perfectly aware that this is a semi-statutory policy we are introducing and that they are having their arms twisted pretty mercilessly with the threat of further statutory intervention. But so long as they don't say so, they will carry their members for a bit and save "face." If we start brandishing the word "statutory" about we shall revive lots of folk memories going back to the 1960s and beyond and we shall find a stampede against us at the TUC Congress and the Labour Party Conference.

"The third ball is ordinary working class public opinion. You may say that I should have prepared people long ago for the fact that there was going to be a real drop in their standard of living this year instead of wrapping it up, as I have so far, in phrases like "we'll be lucky if we can maintain our standard of living." In fact that's what all the commentators have been howling at me for months. But in politics you've got to get the timing right and if I had faced people with this in any circumstances but a tremendous wave of fear and a glaring crisis, I should simply have hardened resistance to any restraint and heightened the degree of crisis necessary to get co-operation when the time came. We can start to talk about sacrifice now because I didn't start to talk about it earlier."

Turning from this apologia on behalf of equivocation on the grand scale to the question of whether the individual politician had better keep his options open one finds that many of the same arguments can be made. The case against Mr. Prentice (and I had better say at once that I do not accept it) is that he has failed in the first duty of a politician—which is to persuade. He is perfectly entitled to his own opinions, it may be said, but he should have ensured that they were not totally at variance with those of his closest associates in his constituency. As in the case of Mr. Dick Taverne, Mr. Prentice might have had a better chance of having his views tolerated if he had not put them so aggressively. In every family, the argument goes, there has to be some exercise of tact. Decisive issues must be skirted round and sore points avoided if the marriage is to last. A determination to be in the right may be proof of a heroic spirit, but it is a certain recipe for political disaster.

The plausibility of these arguments, both on the general and the particular scale, is reinforced by historical analogy and by general considerations about the nature of the political art. Is it not the case that British political history is studded with the achievements of politicians who fooled some of the people all the time and all of the people some of the time? Disraeli on the franchise, Lloyd George on Ireland, Baldwin on India, Macmillan on the Empire, Wilson on the Common Market—none of these figures got exactly what he wanted, perhaps, but each avoided the worst catastrophes and reached some of his aims by appearing to say one thing and actually doing something very different. Conversely, is not the same historical period littered with examples of honest politicians who have paid a high price for being too explicit or at least insufficiently devious? Gladstone on Ireland, Gaitskell on clause 4, and Heath on Industrial Relations spring to mind.

## Compromise

Every politician who has practised his trade for more than a few months finds himself obliged to compromise his real views, to avoid confrontations, and to paper over difficulties by verbal plaster. This is as necessary in the normal business of dealing with constituents and lobbyists and journalists as it is with great affairs of state, and it is a method of procedure forced on the most straight-laced as well as the most easy-going. Mr. Powell was the politician who initiated me to this truth in my first conversation with him many years ago. "Dissimulatio," the last political skill to desert the Emperor Tiberius in his old age (according to Tacitus), was, Mr. Powell insisted, an essential part of the politician's equipment.

The truth is that in politics, as in ordinary life, ambiguity is indispensable from time to time, and in politics, where the whole object of the exercise is to maximise consensus and minimise coercion, ambiguity is a mercenary tool which may save the sum of things when other more morally reputable weapons simply blow up in their users' faces. In practical terms the political question is usually not so much when to start equivocating as when to stop.

That such a point must arrive is obvious. The difficulty is to locate it, and this can only be done by a constant reference to first principles. The main object of ambiguity, after all, is to gain time—time to persuade, time to let tempers cool, time to allow institutions to adjust to new circumstances, time to reconcile people to reality (of which, as the poet says, human kind cannot bear very much). The point is that, while there are many political situations where time is the most valuable of all commodities, there are others where it is either irrelevant or a positive snare. It is on these last occasions that political ambiguity is a crime.

On the basis of these criteria we have some way of deciding what to make of the Government's equivocation and Mr. Prentice's lack of it. In the Government's case it is probable that a little time may have been gained by the pretence that the new policy is not statutory. The TUC may not be able to control the situation (and probably will not). But it will find it easier to exercise such authority as it has while the dreaded word "compulsion" is not used. Furthermore, when the "voluntarism" (so-called) breaks down, the dire necessity of compulsion will be that much easier to accept as a last resort. For this reason I for one, do not object to verbal camouflage. The case of living standards, is quite different. Any equivocation here will rapidly be found out and the sooner the adjustment to reality is made the better. There is no dodging it, and Mr. Heath is absolutely right to insist on frankness.

## Casualty

What about Mr. Prentice? Here, it seems to me, one has to take a view about the nature of the political struggle within the Labour Party. If it is thought that time is on the side of moderation, that trade union militancy is likely to wane, and that moderate opinion will re-assert its control in the constituencies, then time should be given a chance to work and Mr. Prentice may be wrong to precipitate matters now. If, however, time is on the other side and the forces of militancy are on the increase and likely to remain so, then Mr. Prentice was right. It seems likely to me that he was; and that if the moderates do not answer to his tocsin they may find the party slipping irreversibly out of their control. In such a situation there is not much point uttering soothing formulae, and by speaking as he has Mr. Prentice has done the right thing. He has suffered for it, and that is not surprising, but he is a casualty in an important battle that had better be joined now than later.

# Letters to the Editor

## Overseas contracts

*From The Director, British Chemical Engineering Contractors Association*

Sir,—I should like to congratulate Mr. Ray Dafter on his excellent article (July 21) in which he discussed the process industries' export dilemma. He did, however, quote me as saying, "We want to know where we stand—it is difficult playing roulette and building for the future." If I remember correctly what I actually said was that when a managing director had to make allowance for inflation over which he had no control covering a period of three years in a fixed price bid, it was more like playing roulette rather than exercising commercial judgment.

Obviously we all wish inflation to be brought under control and down to the level of our overseas competitors and so we welcome the "attack on inflation" measures that have at long last been put up by the Government but they will take 12 months or more to have a significant effect. In the meantime the difficulty of quoting for large and long term fixed price contracts remains.

Mr. Peter Shore announced the scheme (to which Mr. Dafter refers) on February 20 because "overseas buyers, particularly in the Middle East, want firm prices." It has been politely described as "cost escalation insurance" whereas it is, of course, nothing of the sort though this is what is wanted.

It is a measure of the inadequacy of the scheme that U.K. chemical engineering contractors have very nearly reached the point where they will not take on fixed price contracts and are increasingly being forced to quote out of France because of the superior COFACE (Compagnie Francaise d'Assurance pour le Commerce Exterieur) scheme or out of Germany where the rate of inflation is low and fixed equipment prices can be obtained. It is disappointing to say the least that as far as I am aware although five months have gone by since the scheme was announced no policy has been written for any member company of this association.

Quite simply it is clear that the scheme has not achieved its object—to enable companies to quote for large and long term fixed price contracts overseas. The reason is that it does not address itself to the unquantifiable risk situation which exists to-day and which places companies that take on such contracts in serious financial jeopardy.

If the scheme is to be of value it will have to be modified to take care of this problem and so be open-ended. We would therefore suggest that the Government should come on risk again should the annual rate of inflation reach, say 27 per cent. If the rate of inflation is controlled to the figures recently mentioned by the Chancellor of the Exchequer this proposal would not cost the taxpayer a penny but it would restore a measure of confidence to the industry and enable the object of the scheme to be achieved.

Brigadier J. B. Birkett.
*1, Regent Street, S.W.1.*

## Merciless corrective

*From Mr. T. Simms.*

Sir,—When Mr. Baker states that it is essential to stabilise the exchange rate at current levels (July 19) he implies that we have a say in what the value of the pound should be.

At any given time, we have very little say in what the exchange rate should be. It is what the rest of the world thinks it should be, based quite simply on: 1—Our trading performance; 2—Our reserves and the extent of our borrowing; and 3—What the world thinks of our prospects.

There is a fourth factor, namely the extent to which foreigners might wish to support us on account of some strategic angle, goodwill, or possibly pity, but I discount this as relatively insignificant. There is no way we can disguise either of the first two of these (at least not honestly or in any way that can have any lasting effect) since they are simply statements of fact based on our past performance, in relation to the rest of the world. Only in the third factor, our prospects, do we have any scope for influencing world opinion and even this is strictly limited to the bounds of credibility. This means getting down to the business of resolving our industrial and social ills and ensuring that we are seen by the rest of the world (particularly the most influential parts of it) to be doing this.

Mr. Baker's point, however, that falling exchange rates do not lead to a significant increase in exports in volume terms appears to have some truth, suggesting that the elasticity of demand of many of the internationally traded goods might be lower than is generally thought, but I think there is a more significant factor, namely that buyers are generally loath to switch sources in response to small and possibly temporary changes in parity between currencies. Many of the goods form part of an intricate industrial structure and it is not easy to change to another supplier, on account of different standards, etc.

Germany's experience, in which their exports did not decrease, even in hardware terms, after the Mark was revalued, illustrates this point, and confirms that it is not the selling price alone which determines the saleability of goods. We have, of course, always known this, but perhaps we have not realised the importance of the other factors which include designing for the market, reliable delivery promises, after-sales service/support, and perhaps above all, our attitude to marketing.

As Mr. Baker rightly says, our objective should be a rising exchange rate, but there is only one route to this objective, namely a better trading performance, with all that that implies. There is no way that we can escape the consequences of our past (and present) over indulgence. Until we demonstrate that we have both the ability and the will to manage our affairs sensibly, the exchange rate will continue as the merciless corrective to put us right with the rest of the world.

T. E. Sims,
*49, Heaton Grove, Bradford 9, W. Yorkshire.*

## Floating rates

*From Mr. W. Grey.*

Sir,—Mr. Peter Baker's challenge of "conventional wisdom" regarding devaluation (July 19) was timely.

The idea that we can get by with a high rate of inflation by offloading it on the exchange rate has done a great deal of mischief, and has needed an almost 30 per cent. effective devaluation since the end of 1971 to explode it at long last. Even now there are some who claim that worse unemployment, if not higher inflation, could be avoided if only the Government, in the absence of other measures, allowed the rate to decline further.

In fact, devaluation represents real impoverishment for a country, whether the foreign trade and investment content of its national income is large or small. This is simply because a, say, 10 per cent. reduction in export prices in terms of other currencies will, other things being equal, be accompanied by a rather more than 10 per cent. increase in import costs in terms of its own, obliging it to work that much harder than before to pay its way.

The "merits" Mr. Baker claimed for floating rates vis-à-vis fixed parities are essentially that they enable inflation differentials between countries to be adjusted without a crisis. By themselves, they do not minimise those differentials, and may actually perpetuate them, making the final crunch all the worse. Of course, if all countries managed their affairs equally well or badly, there would be no exchange rate problem under either system.

W. Grey.
*12, Arden Road, Finchley, London, N.3.*

## Standards for shipping

*From Mr. D. Stonebridge.*

Sir,—The article by your Rome correspondent on the fate of the "Seagull" (July 23) raises some very fundamental questions regarding the operation of an increasing proportion of the world's merchant fleet.

Anthony Robinson is correct in assuming that flags of convenience have a loss record which is disproportionate with the size of their fleets and which statistically speaking cannot be attributed to random factors. A recent study by my company indicates that in the period 1964 to 1973 flag of convenience vessels account for one-third of all vessel losses.

Over the last five years the relationship between flag of convenience reported tonnage losses and the flag of convenience proportion of the world fleet has been as follows:

| Year | % of world fleet | % of world losses |
|---|---|---|
| 1970 | 18.1 | 31.1 |
| 1971 | 19.3 | 36.1 |
| 1972 | 20.9 | 36.0 |
| 1973 | 22.8 | 39.5 |
| 1974* | 24.0 | 41.0 |

* Three-quarters.

An equally disconcerting trend has been the growing losses of vessels registered under the flags of developing nations. To-day the lesser developed nations are striving to take the initiate in world shipping as is shown by their efforts to build up their own fleets and activities at UNCTAD. In the period 1970 to third quarter 1974 developing country vessels accounted for 10 per cent. of total losses, whereas in the same time their proportion of the world fleet was barely 6 per cent.

These facts and the substance of Anthony Robinson's article raise two fundamental questions. The aspirations of the developing countries will mean that an increasingly significant proportion of the world's fleet will be registered in countries which have an inadequate or non-existent marine infrastructure to give effective control of the operations of national fleets. It is in the lack of control that the chief cause may be found for the poorer operational records of some fleets, that is, the absence of effective and responsible control both of the certification of vessels, and the certification of the personnel responsible for manning the vessels: perhaps this last point is the most important.

The "Seagull" was a relatively small vessel by to-day's standards, but an increasing amount of "large" tonnage is finding its way on to the sale and purchase market, and in to-day's market this tonnage is likely to find its way on to the registers of the flags of convenience and the flags of developing countries where such tonnage may be operated more economically than under traditional flags. Thus the situation is created where the operation of these very large vessels is no longer under the more stringent control of the traditional maritime nations (or highly reputable operators who operate under all flags), but may be carried out with the minimum regard to safety and good maritime practice. It is inevitable that some of the very large tanker tonnage will one day soon be operated by sub-standard operators and the threat to maritime safety, particularly in congested waters as in the approaches to North West Europe, and to the environment through pollution will be enormous.

The need for Government action at international level is imperative in regulating and standardising the certification of vessels and personnel. There is a danger that no effective action at international level will be taken until the situation has been further pressed upon people by more serious casualties and by widespread pollution in heavily populated areas.

D. Stonebridge.
*H. P. Drewry (Shipping Consultants), Palladium House, 1-4 Argyll Street, W.1.*

## Too many lost artefacts

*From The Curator, Cinzano Glass Collection.*

Sir,—In the "Financial Times" Sotheby's Review of the Art Market," (July 19) it was stated that "the Prince of Wales Beilby enamelled goblet purchased for £19,500 was paid for by an Italian Museum." I would like to set this matter to rights.

The Beilby goblet was purchased by the Cinzano glass collection which is owned by Cinzano (U.K.). Apart from it being the gem of this exceptionally fine collection, one of the main reasons for purchasing this glass was to save it from being removed from this country.

The Cinzano collection is based in London and spends a lot of its time on exhibition throughout this country in many of the provincial capitals. We are well aware that at this particular sale several of the underbidders were based overseas and, therefore, it is with some pride that we have been able to retain this highly important glass in this country.

Not enough attention is paid to the minor artefacts of our heritage; too many are going to overseas collections, simply because they may not fetch a vast sum in the salerooms and are therefore lost amidst the welter of very high prices for paintings and such like. But these minor artefacts represent our cultural heritage and history to a far greater degree than some of the paintings and higher priced items, where there appears to be a considerable fuss made.

Peter Lazarus,
*20 Buckingham Gate, S.W.1.*

# To-day's Events

**GENERAL**

West German Chancellor Helmut Schmidt holds economic talks with French President Giscard d'Estaing, Bonn.

Sir Charles Court, Western Australian Premier, continues talks with oil companies involved in Australia's North-West shelf project, London.

Tapestry depicting 1939-45 war from Dunkirk to Normandy on show at Guildhall, E.C.2.

Country Landowners' Association game fair opens, Chatsworth, Derbyshire.

**PARLIAMENTARY BUSINESS**

House of Commons: Consideration of EEC documents on common agricultural policy and fisheries policy.

House of Lords: Industry Bill, committee.

**COMPANY RESULTS**

LRC International (full year).
Lloyds Bank (half-year).
Midland Bank (half-year).

**COMPANY MEETINGS**

Alida Packaging, Heanor, Derbyshire, 12.
Berkeley Hambro Property, 31, Bishopsgate, E.C., 12.
Chamberlain Phipps, Higham Ferrers, Northants. 2.30.
Chamberlin and Hill, Walsall, 12.
Ferguson Industrial Holdings, Cumbria, 11.30.
Giltspur, Europa Hotel, W.12.
Jeavons (E. E.), Tipton, W. Midlands, 12.
Jones (Edward) (Contractors), Llandudno, 12.
Northern Securities Trust, 16, St. Martin's-le-Grand, E.C., 12.
Peeler-Hattersley, Doncaster Racecourse, 12.
Seaham Harbour, Seaham, Co. Durham, 11.
Sketchley, Hinckley, 3.
Tesco Stores, Cheshunt, 3.30.
Vernon Fashion Group, Great Eastern Hotel, E.C., 12.

**MUSIC**

First night of 1975 Henry Wood Promenade Concerts. Pierre Boulez conducts BBC Symphony Orchestra in Mahler's Eighth Symphony, Royal Albert Hall, S.W.7, at 7.45 p.m.

**OPERA**

Royal Opera production of Peter Grimes (conductor David Atherton), with Heather Harper, Ann Pashley, Geraint Evans, Gwynne Howell and Jon Vickers, Royal Opera House, W.C.2, at 7.30 p.m.

# COMPANY NEWS + COMMENT

## £0.58m. drop at Ward & Goldstone

FOR THE year to March 31, 1975, pre-tax profit of Ward & Goldstone shows a £577,114 downturn at £2.37m. At halfway the slide was from £917,384 to £852,678.

Profit is struck after higher interest of £752,565 (£414,251), depreciation of £1.11m. (£0.97m.) and hire of machinery £117,243 (£72,298).

The final dividend is 3.405p net for a 4.455p (4.19p) total.

The company manufactures insulated wires and cables and electrical and plastic accessories.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| Trading profit | 4,302,021 | 4,296,394 |
| Depreciation | 1,105,456 | 949,992 |
| Interest | 752,565 | 418,251 |
| Machinery hire | 117,243 | 72,298 |
| Pre-tax profit | 2,368,799 | 2,945,913 |
| Tax | 1,122,445 | 1,036,980 |
| Net profit | 1,246,354 | 1,908,933 |
| Retained | 739,093 | 836,541 |

● comment

Second-half pre-tax profits at Ward and Goldstone dropped by 25 per cent., against a 7 per cent. setback after six months. The deterioration has arisen as a result of three basic factors: heavy interest charges, price restrictions and inability to pass on increased costs and, finally, industrial unrest in the motor industry. Exports have achieved significant progress over the past 12 months, amounting to 16 per cent. of total sales against 13 per cent. a year ago. As regards the current year, the group now appears to be coming out of the recession with labour being re-engaged following earlier redundancies—orders are described as satisfactory. Perhaps the best news, however, is that borrowings are down from a peak £7m. a year ago to under £2m., due to a sharp reduction in stocks, and this will obviously be reflected in lower interest charges. However, a 15 per cent. yield, at 40p, reflects the market's general misgivings.

### INDEX TO COMPANY HIGHLIGHTS



## Record at Gordon & Gotch

AFTER a rise from £185,000 to £392,000 at halfway—when the directors said they expected the rate of profits to be maintained—taxable profit of Gordon and Gotch Holdings shows a £482,887 advance at a record £851,813 for the year to March 31, 1975.

Earnings per 25p share are shown to have risen from 3.7p to 7.94p and the final dividend is 1p net which effectively lifts the total dividend from 1.884p to a maximum permitted, 2p.

The company operates as exporters of periodicals, magazines, books and newspapers.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| Turnover | 26,228,110 | 20,696,748 |
| Pre-tax profit* | 851,813 | 368,926 |
| Tax | 484,234 | 198,379 |
| Net profit | 367,579 | 170,547 |
| Attributable | 362,755 | 168,913 |
| Retained | 271,344 | 82,796 |

* Including associates £32,669 (£18,190).

● comment

A 158 per cent. second half profits increase at Gordon and Gotch on turnover up by only 17 per cent. suggests that, as was the case in the first six months, the non-traditional activities forced the pace; the traditional exporting of periodicals and newspapers is low margin business. The computer side now contributes some 13 per cent. of total profits which, with the shipping and forwarding side, together with some investment income, means that the non-traditional activities are now by far the dominant factor at Gordon and Gotch. Considering some 55 per cent. of sales are in exports—benefiting from the slump in sterling—and given the success of the diversification, the shares at 56p, on a 8.3 per cent. yield, look well-supported on the trading front.

## Philip Harris standstill

A MARGINAL improvement in pre-tax profit from £475,107 to £479,862 is reported by Philip Harris (Holdings) for the year to March 31, 1975 after a rise from £178,475 to £242,552 at midway.

Earnings per 20p share dropped from 6.6p to 6.4p and the dividend is raised from 3.1p to 3.2p with a final of 2p net.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| External sales | 5,101,634 | *4,475,391 |
| Profit before tax | 479,862 | 475,107 |
| Tax | 270,708 | 258,661 |
| Profit after tax | 209,154 | 216,446 |
| Extraordinary debits | 4,347 | 2,653 |
| Attributable | 204,807 | 213,793 |
| Pref. divs. | 4,149 | 4,149 |
| Ord. divs. | 102,400 | 99,200 |

* Adjusted for inter-group transactions.

The company operates as manufacturers and distributors of educational scientific equipment and distributors of pharmaceutical and surgical products.

## Ozalid Board remuneration understated

A failure in the administrative procedures at Ozalid Group Holdings accounts for the understatement of directors' remuneration during the years 1970 to 1973, the chairman, Mr. N. J. Kiely, told shareholders at yesterday's annual meeting.

In a prepared statement Mr. Kiely said that the financial Press had drawn attention to the note of the accounts concerning the understatement of directors' emoluments adding that he felt it important to clarify the issue.

After first describing the rapid growth of the company between 1970 and 1974 Mr. Kiely said: "The administrative back-up failed to keep pace with the speed and breadth of expansion. The Board in its entirety accepts responsibility and when the anomalies were revealed during the course of the 1974 audit there were found to be under and overpayments to a number of directors including myself. Corrective action was then taken, including the commissioning of a special study by the auditors on these matters."

The relevant note to the accounts says that "the reported aggregate amounts received or receivable by certain past and present directors of the company during the years 1970-73 were understated and not in accordance with Section 196 of the Companies Act 1948. Such emoluments aggregated £93,105 and were charged in arriving at the profit of the group for the relevant years. Of the £93,105, £40,553 was receivable by certain present directors all of which has been re-credited to *the company. The balance of* £52,552 was received by certain former directors of which £11,953 has been similarly re-credited. The Board accepts that the difference of £40,599 represents proper remuneration for those former directors involved."

## SWS transfers Direct Spanish to unit trusts

Slater Walker Securities, which in February took over a 25½ per cent. holding in Direct Spanish Telegraph, the investment trust concern, from First National Finance Corporation, has now *transferred the interest, placing* it in five of its high-yield unit trusts.

This emerged yesterday following SWS's statement that it no longer has an interest in DST following the sale on July 16 of 2,337,000 Ordinary shares. This was a disclosure under the Companies Act. At the same time, it was announced that the interests of SWS and its subsidiaries, investment trusts and other interests in DST at July 16 amounted to 2,423,000 shares, 26.41 per cent.

This was a disclosure of wider share interests and not a disclosure under the Companies Act.

A spokesman for the group said that the transfer had taken place at the price ruling at the time. Net assets per share were about 55p. He added that DST remained an authorised investment trust with an orthodox portfolio and that Slater Walker Investment Interests would continue to manage it.

## Mid-term upsurge at Braid

TURNOVER of vehicle distributors, etc., Braid Group expanded from £6.21m. to £7.7m. in the half year to March 31, 1975, and taxable profits jumped from £206,402 to £359,704. Total for the year to September, 1974 was £342,415.

Chairman Mr. W. A. Gresson is confident that, subject to there being no shortage of vehicles, second half profits should be satisfactory.

However, he points out that the gross profit percentages earned within the group's distribution activities were at the end of March, 1975 in excess of the levels permitted by the Price Code. The directors are taking steps to correct the situation. On the basis of projected turnover for the year and having regard to the present Price Code regulations it is not expected that the profit permitted by the terms of the Price Code will exceed £465,000 before taxation for the full year.

The interim dividend is 0.3575p (0.335p) net per 5p share. Last year's total was 1.05075p.

| | Half year 1974/75 £ | 1973/74 £ |
|---|---|---|
| Turnover | 7,705,398 | 6,211,927 |
| Profit | 394,959 | 226,148 |
| Interest payable | 35,255 | 19,656 |
| Profit before tax | 359,704 | 206,402 |
| Tax | 187,000 | 107,000 |
| Pref. dividend | 3,500 | 3,500 |
| Attributable Ord. | 169,204 | 95,902 |
| Dividend | 21,450 | 20,100 |
| Retained | 147,754 | 75,802 |

Mr. Gresson says the results are very satisfactory, and car, commercial, parts and service divisions all showed substantial improvement in profit. Contract hire and leasing business was disappointing primarily due to the economic uncertainty and rising inflation. Short-term hire operation showed a marked improvement. Marsden (Coachbuilders) had a good period of trading and profits were very satisfactory.

● comment

With first half profits 75 per cent. above the comparable period and sales only 24 per cent. higher Braid's problem is not so much one of volume but of containing profits within the regulations of the Price Code. New car sales are obviously down, but activity has held up in second-hand car trading, where profit margins are much better. To come within the Price Code second half profits must be contained to about £0.1m. so it seems that Braid, despite existing large discounts and reducing HP costs, will have to tighten the clamps on the profit motive in second-hand car dealing if it intends not to breach the code. Assuming profits for the year are restricted to £465,000 the maximum dividend, indicating a yield of 14.8 per cent. at 12p, would still be covered 3.2 times.

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### DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|---|
| Beaumont Props. | int. | 1.14 | Sept. 30 | 1.17 | — | 2.68 |
| Braid Group | int. | 0.36 | Sept. 5 | 0.34 | — | 1.05 |
| Brit. Australian Inv. | int. | 0.18 | Aug. 28 | 0.18 | — | 0.7 |
| Burt Boulton | | 6.36 | Sept. 26 | 5.8 | 9.86 | 9.3 |
| Cable Trust | int. | 1.4 | Sept. 30 | 1.4 | — | 4.2 |
| Coated Metals | | 2.01 | Sept. 25 | 3.7 | 3.02 | 7.55 |
| Crossfriars Tst. | int. | 2.4 | Aug. 7 | 2.01 | 2.4 | 2.01 |
| Gestetner | int. | 1.57 | Sept. 12 | 1.44 | — | 2.95 |
| Gordon and Gotch | | 1 | Oct. 2 | 1.01* | 2* | 1.88* |
| Philip Harris | | 2 | Aug. 29 | 1.9 | 3.2 | 3.1 |
| Inchcape | | 3.58 | Oct. 2 | 3.91 | 6.98 | 6.51 |
| "Investing in Success" | int. | 0.54 | Sept. 30 | 0.54 | — | 2.08 |
| Lidstone | int. | Nil | — | 0.35 | — | 1.05 |
| Maple Macowards | | Nil | — | 1.47 | Nil | 2.17 |
| MTE | | 1.12 | Oct. 1 | 1.01 | 1.66 | 1.57 |
| New London Props. | | 2.81 | — | 2.67 | 4.79 | 4.51 |
| New Throgmortn. Tst. | int. | 0.45 | Oct. 3 | 0.45 | — | 1.66 |
| Tanjong Tin | int. | 2.0 | Sept. 19 | 2.0 | — | 4.35 |
| Ward and Goldstone | | 3.41 | — | 3.14 | 4.46 | 4.19 |
| Western Board | | 1.86 | Sept. 23 | 1.7 | 2.76 | 2.6 |
| Wilson Peck | | 0.68 | — | 0.68 | 0.68 | 0.68 |
| Young Austen Young | | 5.63 | — | 5.28 | 5.63 | 5.28 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

## MTE tops £0.9m.: pays more

GROUP PROFIT, before tax, of MTE expanded from £623,668 to £904,394 in the year to May 31, 1975, on sales of £5.67m., against £4.43m. At halfway profits were £425,402 (£316,602) from sales of £2.94m. (£2.15m.).

Earnings per 10p share for the year advanced from 2.82p to 4.12p, or from 2.78p to 4p fully diluted, and the net dividend is stepped up from 1.505p to 1.6605p with a final of 1.1245p.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| Sales | 5,666,367 | 4,429,725 |
| Trading profit | 956,195 | 666,090 |
| Interest paid | 50,630 | 11,261 |
| Loan stock interest | 31,171 | 31,170 |
| Profit before tax | 904,394 | 623,668 |
| Corporation tax | 477,900 | 335,616 |
| Overseas tax | 1,096 | — |
| Net profit | 425,398 | 288,052 |
| Extraordinary credits | 10,591 | 18,702 |
| Minority interests | 1,779 | *1,722 |
| Attributable | 434,210 | 308,476 |
| Dividends | 170,579 | 161,056 |
| Retained | 263,631 | 147,420 |

* Loss.

The company manufactures electro-mechanical and electronic devices for industrial process control.

● comment

MTE felt the first real effects of the capital goods downturn in the second half of 1974-75 when sales growth eased to 19 per cent. after a 37 per cent. jump at the interim stage. However, a rise of 68 per cent. in exports (to 15 per cent. of total sales), plus a turnround from losses at certain small subsidiaries has enabled the group to lift annual profits by 45 per cent. pre-tax after a 34 per cent. gain at half-time. The cost saving and integration measures which inspired the recovery at these subsidiaries, and also wiped out all of the group's short term borrowings (£377,000 in the last accounts), should bring further benefits in the current year. The export markets are also continuing to push ahead but volume in the U.K. is currently at such a low level that some decline in 1975-76 profits looks unavoidable. This is reflected by a yield of 17.2 per cent. at 16p, covered more than twice.

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## Burt Boulton setback

PARTLY REFLECTING substantially increased interest charges, group pre-tax profit of Burt Boulton Holdings contracted from £1,954,091 to £312,744 in the year to March 31, 1975, after £653,300 (£1,170,400) for the first half. Turnover for the year was £32.49m. (£38.38m.).

Earnings per £1 share decreased from 53.8p to 14.8p. A final dividend of 6.36p makes a maximum permitted 9.86p (9.295p) net. Burt Boulton is a "close company" engaged in timber and road materials, etc., and is a subsidiary of Thomas Roberts (Westminster).

Thomas Roberts (Westminster) has waived its right to the final dividend amounting to £65,775 on £1,034,198 out of its total holding of £1,395,833 Ordinary.

● *comment*

Burt Bolton's second-half figures make gloomy reading. Trading margins fell by about 6 points, and profits declined by 60 per cent. on turnover down by an eighth. This, of course, reflects one part of the scissor effect of higher interest charges and provisions. As timber selling prices tumbled, the balance-sheet value of stocks were written down by as much as £0.6m. over the year, with a fair chunk of these provisions coming in the October-March session. But the cost of holding stock also rose as forward purchase commitments were honoured on raw materials. This explains why year-end stocks have risen again to about £14m., and why the second-half interest bill increased by 12.5 per cent. However, the group has emphasised its satisfaction with other trading areas by increasing the dividend. At 160p, the yield is 9.8 per cent.

## Coated Metals cuts dividend

FOLLOWING A first half loss of £32,364 compared with pre-tax profits of £327,315, Coated Metals (Holdings) finished the year to May 3, 1975, with a taxable surplus down from £517,088 to £44,706.

The net dividend total is reduced from 7.55p to 3.015p. The final payment is 2.01p.

The decision was taken to close down the Blackpool plant from mid-December, 1974, and concentrate production in South Wales. This alleviated the losses being caused by below-capacity working at two plants, and also enabled the Blackpool plant to be used for development of new products.

In previous years, the group has carried forward pre-production expenses to be written off against the first year's production. As a matter of prudence, all such expenditure has been written off in this year including that *incurred in earlier periods.*

The proportion of exports increased and although much of this business was unprofitable maintenance of custom overseas—largely EEC—was in the group's best long term interest. Margins have now improved and export demand maintained. The home trade is showing some sign of recovery

## Western Board Mills

ON A TURNOVER up from £1.67m. to £2.03m., group pre-tax profit of Western Board Mills decreased from £524,144 to £458,368 in the year to March 31, 1975, after £310,000 (£271,000) for the first half.

A final dividend of 1.86p raises the net total from 2.6p to 2.76p per 10p share. Earnings decreased from 5.04p to 4.33p.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| Group turnover | 2,030,478 | 1,668,410 |
| Profit before tax | 458,368 | 524,144 |
| Taxation | 228,030 | 271,840 |
| Net profit | 230,338 | 252,304 |
| Extraordinary credits | 7,618 | 14,573 |
| Attributable | 227,906 | 266,877 |
| Dividends* | 92,247 | 73,970 |
| Retained | 135,659 | 186,907 |

* Proposed final on 3.35m. shares in which Mr. H. H. Vogel, chairman, and his children have a beneficial interest waived to extent that rate of that dividend exceeds 3 per cent. per share.

## Vantona Board elections

Ahead of next Wednesday's annual meeting of Vantona, now the subject of a takeover offer, on which the Board is split, from Spirella Group, the chairman, Mr. Herbert Pilkington, has told shareholders the directors' opinions concerning directors standing for election. These views are unanimous; despite differences concerning the bid situation.

Mr. Thomas Taylor, recently appointed to the Board, will offer himself for re-election at the annual meeting on July 30 and the Board unanimously recommend shareholders to vote for his re-appointment.

Mr. J. A. Morris retires by rotation and was not seeking re-election but in the light of the current bid situation, Mr. Morris has indicated his desire to remain on the Board until such time as the situation is resolved. The Board will unanimously recommend Mr. Morris's re-election at the meeting.

The Board has received notice that Mr. Glass, President of the company, intends to stand for election to the Board at the same time. Mr. Glass had stepped down as chairman at the last annual meeting and subsequently resigned from the Board.

It is the unanimous view of the Board that the appointment of Mr. Glass would not be in the best interests of the company or its shareholders and it accordingly strongly recommends that his election be opposed.

## Gestetner well on target

AGAINST A forecast of not less than £8m., pre-tax profit of the Gestetner Holdings group amounted to £8.4m. for the half year to May 3, 1975. This compares with £8.87m. restated for the corresponding period a year earlier and with £9.67m. published. Profit for the year to November 2, 1974, was £19m.

Basic earnings per 25p share for the six months were 10p (10.6p restated and 11.13p published) and fully diluted 7.24p (7.56p and 7.94p). The interim dividend is raised from 1.4375p to 1.5689p net—last year's total was 2.955p.

*The results incorporate* those of the Rex-Rotary group for seven months ended April 30, 1975. The comparative figures for 1974 have been restated to conform with the current accounting policies of the group, adopted for the year ended November 2, and to include the results of the Rex-Rotary group for the period from January 1, 1974, to April 30, 1974.

When the May rights issue in convertible stock was announced the directors estimated that the profit before tax for the 26 weeks would be £8m. and that there would be an extraordinary exchange profit of £1.2m. In arriving at those figures the rates of exchange used in the conversion of overseas currencies were those ruling at March 31, 1975: had the rates used been those ruling at May 3, 1975 (the rates used in compiling the results now submitted) those figures would have been £8.14m. and £2.09m. respectively.

When submitting their estimates they stated that they considered it prudent to provide £1.8m. in respect of terminal losses attaching to the Rex-Rotary calculator division. It is now estimated that these losses will amount to £1.23m. and this has been provided as an extraordinary loss. The tax position relative therein is not yet determined and no credit has been taken for any possible tax relief.

| | 1975 £000 | 1974 Restated £000 | 1974 published £000 |
|---|---|---|---|
| External sales:— | | | |
| Gestetner | 73,629 | 60,458 | 62,313 |
| Rex-Rotary* | 16,462 | 8,053 | — |
| Total sales | 90,091 | 68,511 | 62,313 |
| Trading profit:— | | | |
| Gestetner | 8,021 | 8,583 | 8,489 |
| Rex-Rotary | 66 | †213 | — |
| Invest. income | 311 | 376 | 583 |
| Profit before tax | 8,398 | 8,866 | 9,678 |
| Taxation | 4,379 | 4,640 | 4,636 |
| Net profit | 4,019 | 4,226 | 4,438 |
| Minority losses | 22 | 233 | 153 |
| Extraord. profits | 859 | †1,670 | †1,213 |
| Balance | 4,900 | 2,563 | 3,172 |
| Dividends | 634 | 566 | 566 |
| Leaving | 4,266 | 1,997 | 2,606 |

* 1974 from January 1. † Deficit. ‡ Profits

The tax charge comprised (£000s omitted) U.K. current £2,346 (£1,561) and deferred £215 (£57 credit) less double tax relief £1,350 (£395)—overseas current £3,401 (£3,392) less deferred £194 (£20)—tax provisions no longer required current £84 (£159 debit) less deferred charge £45 (nil).

During the six months there was a decrease in net liquid funds of £7.46m.

● comment

Gestetner is 5 per cent. down pre-tax—broadly in line with the forecast last May—and it looks as though a similar sort of profits decline can be expected for the whole of 1974-75. Clearly the group is gripped by the world business recession and demand is now starting to get very patchy. But Gestetner has the impact of trading down on its side given a relatively low cost product range; and this half-year the turnround to profits at Rex-Rotary—where sales presently account for about an eighth of the group total—will have an accelerating benefit. Some overall profit recovery can perhaps be expected next year, but it will nonetheless take Gestetner some time to get back to former growth rates. Meantime, a prospective yield of 3.8 per cent. at 128p is very solidly covered, and over 80 per cent. of profits do arise outside the U.K.

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## ISSUE NEWS

### BRITISH CAR AUCTION

Further to yesterday's announcement by British Car Auction Group involving a 1-for-1 rights issue at par. The directors of the company estimate that profits before tax for the year ended May 31, 1975, were not less than £700,000 compared with £472,695 for the previous year.

On the basis of this estimate the directors intend to recommend a final dividend of 2.3075p per share (including tax credit) in respect of the year ended May 31, 1975. With the interim dividend already paid this makes a total of 3.3075p per share (including tax credit) for the year, which is the same rate of dividend paid in the previous year. The new Ordinary shares will rank for the final dividend.

The issue has not been underwritten.

### KWAHU RESULTS

Kwahu Company announces that the recent rights issue including excess applications was oversubscribed. The number of shares available for allotment on excess applications was 207,066.

The basis of allotment is as follows:

| Application | Allotment |
|---|---|
| 1-7,500 | In Full |
| 7,501-15,000 | 7,500 |
| 15,001-25,000 | 10,000 |
| 25,001-50,000 | 20,000 |
| 50,001-above | 25,000 |

### MACFARLANE

Macfarlane Group (Clansman) announce that acceptances have been received in respect of 1,969,811 shares offered by way of rights (98.5 per cent. of the issue). The remaining shares have been sold for the benefit of entitled holders.







مكتبة الأهرام

(هكذا من الأصل)



## Maple Macowards £1.7m. loss—no dividend

RETAIL store proprietors, Maple Macowards incurred a loss of £1.7m. in the year to February 1, 1975 compared with taxable profits of £668,000 for 1973-74. Turnover fell from £25.34m. to £23.76m.

After 28 weeks the pre-tax deficit was £322,000 against profits of £435,000. The directors said then that the second half was traditionally more profitable, that there were signs of improvement in trading and that they were confident that those activities would record a profit for the year.

They now say that in the first 24 weeks of the current year the various trading activities have shown "a heartening improvement" despite an escalation in operating costs and pressure on margins.

The full year loss per 20p share is shown at 5.4p (earnings 0.6p). There is to be no equity dividend compared with 2.174p net.

| | 1974-75 £000 | 1973-74 £000 |
|---|---|---|
| Turnover | 23,763 | 25,538 |
| Trading | 23,288 | 20,309 |
| Property | 145 | 1,269 |
| Investment | 23 | 2,607 |
| Branch closures | 301 | 1,157 |
| Loss before tax | 1,703 | *668 |
| Trading profit | 624 | 1,583 |
| Property loss | 283 | *318 |
| Investment loss | 94 | *305 |
| Branch closure loss | 250 | 233 |
| Interest | 1,700 | 1,203 |
| Tax credit | 211 | †490 |
| Net loss | 1,492 | *178 |
| Extraord. debits | 6,086 | — |
| Pref. dividend | 11 | 11 |
| Loss attributable to Ord. | 7,589 | *167 |
| Ord. dividends | — | 625 |
| Loss carried forward | 7,343 | *246 |
| BALANCE SHEET | | |
| Fixed assets | 10,722 | 10,418 |
| Tottenham Court Rd. | 13,600 | 15,445 |
| TV sets on rental | 1,297 | 1,202 |
| Investments | 584 | 2,768 |
| Net current assets | 3,796 | 7,364 |
| Deb. stocks and loans | 16,979 | 16,132 |
| Total net assets | 13,620 | 21,069 |

* Profit. † Charge.

In 1973-74 interest of £825,000 on borrowings secured on the company's site in Tottenham Court Road, was added to the cost of developing the site. It it now considered more appropriate to add to the cost of development only the interest attributable to the direct cost of rebuilding. In restating 1973-74 results interest charged has been increased by £683,000.

After seeking professional advice, the directors have re-valued the Tottenham Court Road development on the basis of an estimated realisable value at completion of £17.6m. less projected completion costs. Extraordinary items include a deficit of £2.89m. arising on this revaluation (being an amount written down of £4.6m. less £1.7m. charged direct to capital reserve) and a provision of £1.8m. for deferred tax on revalued properties. Also included are deficits totalling £831,000 on the revaluation of certain other properties and losses (less surpluses) of £843,000 on investment realisations and revaluations.

The auditors state that the Tottenham Court Road site balance-sheet figure of £13.6m. anticipates completion of the programme of letting of the major part of the finished building. In light of the present uncertain conditions in the property market, they are unable to satisfy themselves that this value is realisable.

There is a secured loan which represents an amount of £1m. due by Guardian Properties (Holdings). An independent valuation of the security in April, 1975, indicated that the loan was fully secured but, the directors consider that in the present uncertainty in the property market a provision of £250,000 should be made against the loan.

The directors say that, having regard to bank and loan facilities available and the proceeds of the sale of certain properties, the group has sufficient working capital for its immediate requirements. In this connection a further secured facility of £1m. was provided on July 23, 1975, by a syndicate of banks headed by Morgan Grenfell and Co. in addition to the facility of £15m. previously provided by the syndicate.

See Lex

## Young Austen turns in £321,786

After a midway estimation of profits not greatly different from those for 1973-74, mechanical, electrical, and plumbing contractors, Young Austen and Young reports a taxable surplus up from £309,314 to £321,786 for the year to April 30, 1975.

Earnings are shown to have almost doubled 5.5p to 10.53p per 25p share, and the dividend is raised from 5.27625p to the maximum permitted 5.6305p net.

| | 1974/5 £ | 1973/4 £ |
|---|---|---|
| Turnover | 8,191,884 | 7,870,109 |
| Profit before tax | 321,786 | 309,314 |
| Tax | 127,704 | 172,645 |
| Extraord. debit | — | 36,226 |
| Leaving | 194,082 | 100,443 |
| Dividends | 102,755 | 96,290 |
| Retained | *91,327 | 4,153 |

The chairman, Mr. H. W. Candy, says that new orders secured since the year end are satisfactory and the directors are pursuing new outlets with the hope that profitability can at least be maintained.

Since the last report Trafalgar House has acquired further shares bringing its holding up to 28.4 per cent. In view of this substantial shareholding Mr. D. J. C. Berens has joined Young's Board.

## Cohen & Wilks £0.5m. loss

After all charges including re-organisation expenses of £64,397 Cohen and Wilks (Holdings) incurred a pre-tax loss of £504,416 for 1974 compared with a £23,075 profit. Turnover fell from £2.83m. to £2.7m.

There is a tax credit of £23,853 (£19,476 debit) leaving an attributable loss of £480,563 against a profit of £23,075. Loss per 25p share is given at 40.5p (earnings 1.87p).

## 1928 TRUST

At the annual meeting of the Nineteen Twenty-Eight Investment Trust the proposal to raise the directors' remuneration was not put forward in the light of the Government's policy on pay restraint.

## Mid-term increase at Cable

IN THE six months to June 30, 1975 earnings after tax of Cable Trust, an Electra House company improved from £2.14m. to £2.5m.

The interim dividend is 1.4p (same) net absorbing £1.1m. Last year's total was 4.2p from earnings of £3.67m. after tax.

Net assets per 25p share at June 30 were 153.25p (93.25p December 31, 1974) and allowing for full conversion of Loan Stock 151.75p (94.875p).

Potential net liability for tax on unrealised capital gains and loss on surrender of investment currency premium was 9.625p (3.25p) per share and 9.125p (3p) allowing for full conversion of loan stock.

Investment valuation of £120.8m. (£74.5m.) includes 100 per cent. of the investment currency premium where applicable. At June 30, this amounted to £12.82m. (£10.09m.) of which 25 per cent. would have been surrendered to the Bank of England if certain investments had been sold on that date.

| | Half year 1975 £000 | 1974 £000 |
|---|---|---|
| Gross revenue | 4,497 | 3,768 |
| Earnings before tax | 4,077 | 3,360 |
| Tax | 1,573 | 1,216 |
| Earnings after tax | 2,504 | 2,144 |
| | 30.6.75 | 31.12.74 |
| Investments | 120,791 | 74,533 |
| Quoted middle price | 95,842 | 56,141 |
| Unquoted | 24,949 | 18,392 |
| Net current assets | 11,248 | 10,078 |
| Deb. and Conv. Ln. Stks. | 10,821 | 10,821 |
| Net assets | 121,218 | 73,790 |
| Net assets per share | 153.25p | 93.25p |
| Allowing for full conversion of Ln. Stck. | 151.75p | 94.875p |

## United States & Gen. Trust

Gross revenue of United States and General Trust Corporation increased from £412,658 to £433,966 in the first half of 1975. The figure for the year 1974 was £781,774.

After management expenses £18,178 (£17,047), debenture interest £26,750 (same) and tax £147,000 (£128,000), net revenue for the half year was £242,038 (£240,861).

Net asset value per 25p share was 189p (133p).

An interim dividend of 1.4p net (same) has already been paid. Last year's total was 3.953p.

## SECOND SCOTTISH INVESTMENT

Total gross income of Second Scottish Investment Trust expanded from £1.67m. to £1.75m. in the nine months to July 5, 1975 of which franked income accounted for £1.62m. compared with £979,100.

Gross interest amounted to £65,800 (£118,400) and expenses to £92,000 (£78,000).

Net asset value per 25p share was 92.4p against 52.8p at October 5, 1974.

## Plessey holds margins

FIRST QUARTER (to June 30, 1975) pre-tax profit of The Plessey Company amounted to £10.2m. on sales of £112m. The figures for the April-June quarter of the previous year were £12.62m. and £110.4m. adjusted respectively.

In considering the results, and particularly when comparing them with the similar period for the previous year, the effect of the change in year-end must be taken into account, the directors state.

The previous year's comparison was reduced for specifically identifiable items of £0.8m., which were added back to the financial periods ended March 31, 1974.

It is not however possible—or perhaps even desirable—to compute and adjust for the effect on the accounts, at interim periods, of long term contract completions, or for the normal cautious approach to items like stock valuations, particularly with the current high level of inflation, they explain.

It is however reasonably clear that in future the quarter ended June 30 will represent a lower proportion of the total year's profits, the directors add.

Against this background it is possibly more meaningful to look at the quarter's results on a trend basis, compared with the immediate past quarter to March 31, 1975, when profits were £9.78m. The improvement in the profit of £400,000 is due to the reduction in net interest costs and improved results from associated companies. The net result, because of a higher provision for tax, shows little change.

Margins have, therefore, been held in the first quarter, but the level of activity has yet to respond to the encouraging improvements that have been occurring in the order intake level of some products in the component and consumer fields, the directors add.

Earnings for the period were 2.73p, against 3.69p adjusted, and compared with 2.77p for the quarter to March 31, 1975.

| | Three months 1975 £000 | *1974 £000 | †1975 £000 |
|---|---|---|---|
| Sales | 112,000 | 110,400 | 112,369 |
| Trading profit | 13,882 | 15,805 | 13,852 |
| Depreciation | 3,659 | 3,647 | 3,342 |
| Operating profit | 10,223 | 12,158 | 10,410 |
| Associates | 1,319 | 1,502 | 1,078 |
| Int. receivable | 208 | 623 | 529 |
| Int. payable | 1,566 | 1,668 | 2,240 |
| Profit before tax | 10,184 | 12,615 | 9,778 |
| Taxation | 4,800 | 5,700 | 4,300 |
| Minorities | 275 | 18 | 298 |
| Attributable | 5,109 | 6,897 | 5,180 |

* Adjusted. † To March 31, 1975.

Plessey hopes to report several "very substantial" new export orders by September, some of them from the OPEC countries, finance director Mr. Eric Frye said yesterday. Echoing the recent annual report, he warned that "one must accept there are going to be some cutbacks" in Post Office and Government orders, though neither customer yet knew their extent.

But Plessey still had the potential to pick up overseas what it lost in the way of home orders.

Major export contracts for electronics equipment were slightly further along the pipeline than the likely overseas telecommunications orders, Mr. Frye said. Meanwhile orders for Garrard and the U.S. subsidiaries were continuing to improve. U.S. semiconductor profits were expected to emerge again early in 1976, and Garrard was finely balanced between profit and loss, the monthly picture depending on the seasonal pattern. Plessey's overall moving annual order average was showing an improvement.

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See Lex

## Fraser Ansbacher

Mr. Maxwell Joseph, chairman of Fraser Ansbacher, the merchant and investment banking group, told shareholders at the annual meeting that the group had successfully come through a period of major difficulty and uncertainty without recourse to the Bank of England lifeboat fund and after making very full provisions for bad and doubtful debts and investments.

Since the year-end liquidity had been further improved by the sale of the interest in C. E. Heath for £8.6m. cash, which resulted in a capital profit during this current year to the order of £250,000.

## Incheape down £2m.

SECOND HALF profits of international merchants, etc. Incheape have fallen below those of the first—in fact by £7m.

Total for the year ended March 31, 1975, therefore, comes to £28.09m., compared with £30.1m. The directors had forecast "not dissimilar" profits.

The result reflects severe economic difficulties almost throughout the world. The reduction arose mainly in South East Asia, Australia and North America, offset largely by improved figures from the Middle East.

On prospects, the directors state that most areas of group trading are beginning to recover from the economic difficulties, and they view the future with confidence.

The year's profit attributable to Ordinary holders, after extraordinary charges of £4.98m. (credit £0.67m.) turns out to be £6.48m., compared with £14.54m. Earnings are shown at 32.9p (41.7p) and the net dividend is 6.931p (6.513p), the final being 3.581p.

"Extraordinary provisions" are mainly to write down the value of certain overseas interests.

The percentage contribution to the profit, before tax and interests on loan capital, of various activities was: General merchants, agents, managers and secretaries 51 per cent. (45 per cent.); motor vehicle distribution and assembly 34 (38); shipping and lighterage 11 (7); timber and construction below ½ (4); engineering works 3 (2); associates 4 (4); trade and other investment income 1 (same); head office expenditure less sundry activities 4 (1).

| | 1974-75 £000 | 1973-74 £000 |
|---|---|---|
| Turnover | 715,567 | 534,266 |
| Operating surplus | 30,334 | 31,578 |
| Invest. income | 401 | 487 |
| Loan capital int. | 2,659 | 1,982 |
| Profit before tax | 28,096 | 30,103 |
| Taxation | *13,857 | 12,735 |
| Minority, pre-acquis. | 2,704 | 3,424 |
| Available Incheape | 11,535 | 13,944 |
| Preference div. | 69 | 69 |
| Extraordinary debits | 4,982 | †669 |
| Available Ordinary | 6,484 | 14,544 |
| Dividend | 2,418 | 2,265 |
| Unappropriated | 4,066 | 12,279 |

* After DTR (£8.69m. (£3.82m.), U.K. transitional relief on overseas income £0.12m. (£0.1m). and transitional ACT relief £0.34m.), and provisions released £0.63m. (£0.61m.). † Credits.

A broad percentage indication of the geographical distribution of the income attributable to holders and loan stockholders, after tax, shows: Africa 10 (12); Australia and South Pacific loss 7 (profit 2); Far East 34 (30); Middle East 28 (16). North America losses 10 (5); South East Asia 22 (28); U.K. and Europe 23 (16).

See Lex

## Aluminium downturn

A trading loss of £19,913, against a profit of £331,622, was incurred by Aluminium Corporation in the half-year to June 30, 1975.

After crediting interest, less overdraft interest, there is a pre-tax profit of £37,478, compared with £424,567. The figure for the year 1974 was £742,887.

| | Six months 1975 £ | 1974 £ |
|---|---|---|
| Net sales | 2,358,872 | 2,418,788 |
| Trading loss | 19,913 | *331,622 |
| Debenture income | 294 | 390 |
| Interest income | 70,627 | 90,092 |
| Overdraft interest | 13,530 | 17,447 |
| Profit before tax | 37,478 | 424,567 |
| Taxation | 19,000 | 222,000 |
| Minority holders | 206 | 491 |
| Net balance† | 18,272 | 202,074 |

* Profit. Amount provided for depreciation was £30,473 (£32,645). † Excludes approximately £1,000, after tax, profit on the disposal of house property. This will be treated as an extraordinary item in the annual accounts (six months ended June 30, 1974: (£15,000: year 1974—£17,580).

The ultimate holding company is Tube Investments.



## RECENT ISSUES

### EQUITIES

| Issue Price p | Amount Paid Up | Latest Renunc. Date | 1975 High | 1975 Low | Stock | Closing Price p | + or − | Div. Amount | Times covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ‡ | F.P. | — | 172 | 155 | Akroyd & Smithers | 155 | ..... | w12.5 | 1.7 | 12.1 | 7.6 |
| 48 | F.P. | 11/7 | 56 | 48 | Clive Discount (20p) | 50 | +1 | 3.0 | — | 9.0 | — |
| ‡‡ | F.P. | — | 196 | 185 | Estates House | 191 | −2 | T4.97 | 1.2 | 3.9 | 33.4 |
| 55 | F.P. | 21/8 | 55 | 55 | Lawrence (Walter) | 55 | ..... | b4.5 | 2.7 | 12.6 | 4.5 |

### FIXED INTEREST STOCKS

| Issue Price | Amount Paid up | Latest Renunc. Date | 1975 High | 1975 Low | Stock | Closing Price | + or − |
|---|---|---|---|---|---|---|---|
| ‡‡ | F.P. | 21/8 | 93 | 89½ | Adwest Grp. 10½% Cnv. 95/2000 | 90 | −1 |
| $100 | F.P. | — | 101 | $99½ | Barclays Bank Int 9½% Capital Notes 1982 | 100½ | ..... |
| £108 | £10 | 7/11 | 11¼ | 10¼ | Barnet Corp. 13¼% 1980 | 10¼ | — |
| £100 | £10 | 7/11 | 12¼ | 10½ | Do. Do. 14% '84/5 | 10½ | −½ |
| £100 | F.P. | — | 100 | 99¾ | CSR 9½% Notes 1980 | 99⅝ | ..... |
| £99 | £10 | 12/9 | 10½ | 9¾ | Camb. Water 9% Red. Pref. 1980 | 10 | +⅛ |
| £97½ | £50 | 12/9 | 50⅝ | 49⅝ | City of Westminster 13% Red. St. 1981 | 50 | — |
| £98½ | £10 | 5/12 | 11⅛ | 10¼ | Derby C. C. 13½% Stk. 1982 | 10¼ | — |
| £99 | £10 | 29/8 | 11¼ | 10¼ | East Surrey Water 9% Red. Pref. 1980 | 10¼ | — |
| £100 | Nil | — | 4 | Nil | English Properties 12% Conv. Ln. 2000/5 | Nil | — |
| $100 | F.P. | — | 108½ | 102½ | FiatFinance(U.K.)9%ConvGtdUnsLn85-90 | 103 | ..... |
| £99 | F.P. | 31/7 | 112 | 100⅜ | Folkestone Dist. Water 9% Red. Prf. 1980 | 100½ | ..... |
| £100 | £50 | 23/10 | 54¼ | 52 | Hoechst 10% Guar. Ln. 1990 | 52 | — |
| £100 | F.P. | 21/8 | 107½ | 99 | Mitchell Cotts 13% Conv. Uns. 90/5 | 99 | −1 |
| £99 | £10 | — | 10¼ | 10 | Newcastle & Gate 9% Red. Prf. 1980 | 10 | ..... |
| £99 | F.P. | 31/7 | 112¼ | 100⅜ | N. Surrey Water 9% Red. Prf. 1980 | 100½ | ..... |
| £100 | F.P. | — | 105 | 100 | Prop. Hldgs. & Inv. 9% Conv. '90/5 | 100 | ..... |
| £99 | £10 | 29/8 | 10¾ | 10¼ | Sunderland Water 9% Red. Pref. 1980 | 10½ | −¼ |
| ‡‡ | F.P. | — | 90 | 77½ | Turner Curzon 13% Conv. Uns. '78-80 | 90 | +4 |
| ‡‡ | F.P. | 29/8 | 101¾ | 98¼ | Whitbread 11% Conv. 1996 | 98¼ | −¾ |

### "RIGHTS" OFFERS

| Issue Price p | Amount Paid up | Latest Renunc. Dates † | ‡ | Stock | Closing Price p | + or − |
|---|---|---|---|---|---|---|
| 18½ | Nil | — | — | Adams Foods | ¼pm | −½ |
| 110 | Nil | 28/7 | 25/8 | Anderson Strathclyde | Nil pm | |
| 43 | F.P. | 20/6 | 8/8 | Associated Engineering | 46 | −½ |
| 25 | F.P. | 7/7 | 21/8 | Barrow Hepburn | 34 | |
| 56p | F.P. | 2/7 | 1/8 | Bell (A.) | 95 | −2 |
| 46 | F.P. | 7/7 | 10/9 | Boo Intl | 42½ | |
| 415 | F.P. | 21/7 | 1/9 | Bowater | 128 | +1 |
| 150p | F.P. | 25/7 | 5/9 | Brit. Steam Specialties | 49½ | −1½ |
| 40 | F.P. | 3/7 | 8/8 | Carless Capel | 56 | |
| 30 | F.P. | 21/7 | 29/8 | Century Oils | 33½ | −½ |
| A$1.50 | F.P. | 2/7 | 7/8 | Commercial Bank of Australia | 210 | −3 |
| 45 | Nil | 6/8 | 4/9 | Comp Air | 4pm | +½ |
| 72 | Nil | 30/7 | 28/8 | Dunbee-Combex-Marx | 26pm | −2 |
| 45 | F.P. | 26/6 | 25/7 | Duport | 48 | |
| 65 | F.P. | 4/7 | 21/8 | Ever Ready | 80 | −2 |
| 10p | Nil | 4/8 | 5/9 | Feedex | 7pm | −2 |
| 38 | F.P. | 11/7 | 1/8 | GEI Int | 59 | ..... |
| 200 | F.P. | 4/7 | 7/8 | Glaxo | 335 | ..... |
| 25 | nil | — | — | Hanson Tst. | 55pm | ..... |
| 25 | F.P. | 21/7 | 11/8 | Hazlewoods (Proprietary) | 25 | ..... |
| 10p | Nil | 29/7 | 3/9 | Headlam Sims & Coggins | 2½pm | ..... |
| 20 | F.P. | 22/7 | 8/8 | Kwahu | 22 | ..... |
| 103 | Nil | 30/7 | 15/8 | Legal & General | 2½pm | −1 |
| 60 | F.P. | 18/7 | 21/8 | London United Invs. | 65 | ..... |
| 25p | F.P. | 23/7 | 20/8 | Macfarlane Group | 59 | −1 |
| 310 | Nil | 1/8 | 29/8 | Metal Box | 5pm | −5 |
| 10p | F.P. | 2/7 | 8/8 | NSS Newsagents | 48 | ..... |
| 60 | F.P. | 9/7 | 8/8 | Nurdin Peacock | 76 | ..... |
| 105p | F.P. | 21/7 | 29/8 | Pegler Hattersley | 108 | +1 |
| 180 | F.P. | 11/7 | 1/8 | Phoenix Assurance | 196 | −4 |
| $A1.50 | Nil | — | — | Poseidon | 50pm | ..... |
| 5p | F.P. | 11/7 | 5/8 | Premier Cons Oilfields | 10½ | ..... |
| 67 | F.P. | 24/7 | 19/8 | Redland | 68 | ..... |
| 186 | Nil | — | — | Renold | 1½pm | −½ |
| 20 | F.P. | 4/7 | 8/8 | Root Harvesters | 22 | −1 |
| 18 | Nil | 28/7 | 12/9 | Senior Engineering | 1¼pm | −¼ |
| 27½ | F.P. | 10/7 | 21/8 | Serck | 30½ | +½ |
| 80p | F.P. | 25/7 | 12/9 | Siebe Gorman | 110 | +4 |
| 95p | F.P. | 25/7 | 5/9 | Smiths Industries | 95 | ..... |
| 170 | Nil | 2/8 | 3/10 | Tate & Lyle | 7pm | −4 |
| 65 | F.P. | 17/7 | 7/8 | U.K. Optical | 80 | −1 |
| 50p | F.P. | 21/7 | 15/8 | Unicorn | 49 | ..... |
| 110 | Nil | 5/8 | 29/8 | Wheatsheaf Dist. | 5pm | −5 |

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. s Forecast dividend; cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✻ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

# INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Commission's case against Hoffman La Roche

BY DAVID CURRY

BRUSSELS, July 24.

THE EUROPEAN COMMISSION is to conduct proceedings against the Swiss pharmaceutical giant Hoffman La Roche on charges of monopoly practices in the market for vitamins. It is still investigating the quite separate issue of Hoffman La Roche's pricing policies for tranquilisers.

Hoffman La Roche is being asked to argue its defence before the Commission at the end of September. If the Commission remains unconvinced by the company's arguments, it has the power theoretically to impose a fine reaching a maximum of 10 per cent. of the concern's group turnover. The company could appeal against a ruling to the European Court of Justice in Luxembourg.

The Commission's case is concerned with market practices in selling the 13 groups of vitamins in the manufacture and sale of which the Swiss company has, according to the Commission, a dominant position. The central plank in the Commission's case is the company's method of paying "fidelity rebates" to clients, calculated on their total purchases across the range of vitamins from Hoffman La Roche.

This practice, the Commission argues, is in restraint of competition because it inhibits a customer from looking elsewhere for certain ranges of vitamins because by doing so he will jeopardise his rebate.

The company yesterday stated that it noted the commission's complaints relating to rebates and supply and purchase obligations. It said that given the unclear legal situation it had already decided to change these practices and the agreements in accordance with them had already been cancelled. The complaints posed "difficult problems on the legal and economic side," the company added.

Mr. Albert Borschette, the Commissioner in charge of competition policy, stated yesterday that whether the agreements were still in force or had been cancelled would make no difference to the Commission's case. He outlined three basic complaints against the company. He said the company's agreements bound clients through exclusive selling contracts for the whole or a large part of their needs; that the fidelity rebate was calculated on the supply of a large part of a customer's needs; and that the rebates were calculated on purchases, not for a single group of vitamins, but across the whole range of vitamins.

The main clients for the vitamins are manufacturers of medicaments, and food for human and animal consumption.

The Hoffman La Roche case has involved the Commission in delicate talks with the Swiss since the 1972 Free Trade Agreement with Switzerland incorporates the bulk of the EEC's anti-trust legislation. The commission invoked the agreement to request the Swiss, in early June, to take steps to remove the violations of the rules, which it claimed the drug concern was practising.

Mr. Borschette admitted that the Commission's case was based on information supplied to it by a former employee in the vitamins division of Hoffman La Roche, Mr. Stanley Adams, a Briton. Mr. Adams was detained in Basle by the Swiss authorities at the end of last year on suspicion of industrial espionage, following complaints laid before the Swiss authorities by the company. He was subsequently released on bail paid by the Commission.

Hoffman La Roche yesterday drew attention to the fact that the Commission's case was based on documents it had obtained from a former employee of the company.

In a wide-ranging survey of anti-trust measures now being taken by the Commission, Mr. Borschette also said that the investigations into IBM were continuing in all countries where IBM had a subsidiary. He promised a full report in a few months on the Commission's inquiries into the behaviour of oil companies at the time of the energy crisis at the end of 1973.

Mr. Borschette also hinted that the Commission was preparing for a new round in the anti-trust battle against some of the continent's major sugar producers. The European court of justice is due within the next two months to give its verdict on the appeal of 16 companies against fines of a total of 9m. units of account imposed in early 1973 by the Commission following charges of illegal carving up of the sugar market. Mr. Borschette said that certain practices with which the Commission had found fault in 1973, notably concerning the French and Italian markets, were still being operated by the companies.

The Commission has also outlawed the private code agreed to in 1972 between the major European raw aluminium producers under the auspices of the Liechtenstein-based international fair trade practice rules administration on the grounds that such a code was too inflexible to permit real competition in the market. Members of the pact included the continent's three major producers Pechiney Ugine Kuhlmann of France, Alusuisse, and VAW of Germany. The British Aluminium Company was also a member and the administration embraced altogether companies producing some 85 per cent. of Europe's raw aluminium.

## New move at Lesieur

By Rupert Cornwell

PARIS, July 24.

COTELLE ET FOUCHER has resigned from the board of Lesieur Cotelle et Associés, the main operating subsidiary of the Lesieur edible oils and fats empire — in what looks to be something of a victory for the Lesieur family in its struggle to keep complete control of the faction-torn group.

A statement from Cotelle et Foucher made clear that the decision to pull out reflected its "total disagreement" with the policy of the family and its merchant banking allies Banexi in the running of Lesieur Cotelle.

The withdrawal of Cotelle et Foucher chairman M. Marc Fournier removes the most outspoken critic of the present alliance, which with 51 per cent. controls the key holding company Cie Financiere Lesieur. After successfully blocking a proposed expansion of the group into Spain, M. Fournier was less fortunate with an attempt to have last year's Lesieur results declared null and void.

The news, however, leaves several question marks. The narrower issue is what will become of Cotelle et Foucher's 22 per cent. in Lesieur Cotelle. At the level of the holding company, in which the minority faction has 43 per cent., the outlook is equally unclear.

It is posible that to-day's news marks the start of a general disengagement by the dissenting minority, but with their blocking shareholding in Cie Financiere Lesieur, nothing can be counted certain.

## VW keeps W. German lead

By Jonathan Carr

BONN, July 24.

PARTICULARLY good sales of its Golf model helped keep Volkswagen easily at the top of the West German league table of new passenger car registrations in the first half of this year.

But all major companies are seeing substantially improved sales. The overall result is a total of new registrations in the first six months of 1,129,670 against 938,849 in the same period of 1974.

The Volkswagen total is 261,487 to which the Golf alone contributed 95,969. The "Beetle," which led the VW performance in the first half of last year with a total of 88,553 has dropped back in 1975 to less than 30,000. Opel follows Volkswagen, with Ford in third place and Daimler Benz in fourth.

## Two Eurobond issues for New Zealand

Financial Times Reporter

NEW ZEALAND is to raise $50m. by means of two new issues in the Eurobond market. The issues are expected in the market to-day.

Market sources report that one issue will be $30m. of five-year notes offering a 9 per cent. coupon and that the other will be $20m. of seven-year notes offering 9½ per cent. Lead manager will be Kidder Peabody International.

## Pressure to reorganise on French shipbuilders

BY RUPERT CORNWELL

PARIS, July 24.

FACED WITH intensifying competition from Japan and a depressed freight market, the French Government has announced plans to speed the reorganisation of the country's shipbuilding industry into two streamlined groups.

The intention is to weld the five companies at present operating into two co-ordinated groupings; one in the West, consisting of Chantiers de l'Atlantique and Chantiers Dubigeon-Normandie, the other in the "East."

The problem in this latter case is above all geographic: the distance between the would-be partners. Chantiers Dunquerque on the Channel is some 65 miles to the north of the Mediterranean yards of La Ciotat and La Seyne, close to Marseilles.

The exact form the links would take has yet to be finalised. The official wish is for "liberal and supple" arrangements, in the words of Government spokesman M. André Rossi, but if straight mergers apparently are not contemplated, then some kind of holding company, coupled with an exchange of financial participations, most definitely is.

The hand of Transport Secretary M. Marcel Cavaillé looks quite strong. Although the industry exported 55 per cent. of last year's combined turnover of Frs.4.5bn. (£490m.) the 24,000 men the five groups employ live to a large extent off orders from the Government, a reflection of the official policy of building up France's own merchant fleet.

It has now been made clear that, if they do not comply, the tonnage ordered on special terms by the State from the five groups will be held at 650,000 tons yearly. If on the other hand they do accelerate their co-operation, this figure will be substantially increased.

Moreover, a vehicle for the reorganisation already exists, in the joint marketing venture CIFRAME, and many in the industry now believe that this company could be extended into an umbrella body covering the five separate yards.

The most pressing reason for action now is the threat of much stronger competition from Japanese and Spanish shipbuilders under sore pressure from the slump in tanker orders. The French now fear a vigorous counter attack in high-technology areas, where hitherto they have reigned supreme, including perhaps LNG carriers.

Because of this, if nothing else, many are now hopeful that real progress can be made by the end of 1975, after several years of pious hopes but little concrete advance.

## Dow Chemical may raise prices against the trend

BY RAY DAFTER

DOW CHEMICAL EUROPE is likely to increase the price of basic chemicals and plastics in the near future in defiance of current market trends.

Demand for chemicals, particularly plastics, is still depressed and unlikely to recover until well into next year. The drop in demand has inevitably led to a general weakening of prices although nothing like the levels in past cut-price wars.

Most material producers, including Dow, have stressed the importance of stabilising prices, even if it means cutting back production levels to match demand. The industry has reached the conclusion that price cutting in the current economic situation is unlikely to stimulate demand.

Mr. Charles Doscher, Dow Chemical Europe vice-president and director of marketing and purchasing, said that his company's pricing was under detailed review because of increasing labour costs, inflated construction costs and higher energy and feedstock costs.

He warned that the prices of some major plastics, in particular, had fallen to levels which made reinvestment unattractive.

"This may lead to cancellation or indefinite delay of many projects, and the long-term effect will be a series of exaggerated instabilities."

Mr. Doscher said that it was essential for prices to be at a level which would ensure a satisfactory flow of feedstock and support research and development programmes. Although there was an over-supply situation at present, demand would eventually increase.

As a result "if we fail to think of the future at least as much as we think of the present, we will ultimately move into a period of massive shortages which will be more difficult to resolve than our current situation."

Dow's lead will be watched with interest by chemical groups throughout Europe, particularly as the company's growth and profitability record is among the best in the world.

A survey of the industry published in the U.K. to-day, for instance, lists Dow as the top company on a pre-tax basis. Its pre-tax profit last year of $1.12bn. was 131.9 per cent. up on the previous year. ICI was placed second on this basis with $1.09bn. (up 46.2 per cent.) and Union Carbide third with $907.4m. (up 65.5 per cent.).

According to the latest Chemical Age survey of the top 200 chemical companies, the top British company in terms of profit margins and return on capital is British Titan, although not one U.K. company figures in the top 20 in terms of fastest sales growth. BP Chemicals and Albright and Wilson feature in the top 20 for fastest profits growth, however.

The world's largest chemical manufacturers, according to the survey, is the German group BASF which takes over the position once held by Du Pont. Another German group, Hoechst, remained in second position while ICI rose from fifth position in 1973 to third place. Du Pont, hit by the fibres cycle and the decline of the U.S. dollar, dropped to fifth position behind Bayer of Germany.

The industry as a whole is sceptical about the worth of these comparisons, particularly with fluctuating currencies. As the Chemical Age report points out, if 1974 currency values had been in force two years ago, BASF would have led the 1973 table. Similarly, if mid-July 1975 exchange rates had been used rather than the average for 1974, ICI would have been in fourth place instead of third.

The sales of the top 200 companies rose by 36.2 per cent. to cross the $200bn. mark for the first time while the share of the total sales contributed by the major top ten groups remained virtually static at 29.98 per cent.

## Fairchild hopes for recovery

By Christopher Lorenz

HOPES OF an early recovery in the depressed world semiconductor market were underlined yesterday by one of the top four international manufacturers, Fairchild Camera and Instrument.

Fairchild expects an upturn in semiconductor sales in the second half of 1975, and an improvement in all its markets next year, it said in a statement accompanying its second quarter results. These showed sharp falls in both sales and earnings, to $70.9m. ($107.1m.) and $3.3m. ($7.7m.) respectively (the earnings figures included tax credits).

Two months ago, the company revealed its first move into the manufacture and sale of complete consumer products when it announced a "forward integration" from its traditional components business into digital watches. The first products are scheduled for introduction shortly, ranging in price from $100-$200.

In order to break into this already highly-competitive market, Fairchild made two small purchases in the spring: Exetron and Exetron Time, makers of watch components and the finished product; and Princeton Materials, a supplier of liquid crystal displays.

It has now taken a further step by buying the watch case assets of a Californian company called Think Engineering, which had already been supplying Fairchild with cases. The acquisition gives Fairchild an almost completely integrated digital watch manufacture, with the exception of quartz crystal oscillators.

## Norway raises Kr.1.3bn. abroad

BY FAY GJESTER

OSLO, July 24.

THE NORWEGIAN Government has this month raised two foreign loans totalling some Kr.1.3bn., both for five years and both on terms described by the Ministry of Trade as "highly satisfactory." Mr. Einar Magnussen, Trade Minister, said yesterday Norway was borrowing the money not for any specific projects but in order to secure foreign currency liquidity, in view of the very substantial balance of payments deficit expected this year.

The favourable terms obtained meant that the authorities could relend these funds abroad at good interest, so the operation was not an expensive one. Adequate currency liquidity was vital if the country wanted to be able to pursue an independent economic policy, he said.

An agreement concerning one of the loans, for $100m., was signed yesterday by the Ministry of Trade and a U.S. consortium headed by Merrill Lynch, Pierce, Fenner and Smith and Kuhn Loeb. Issue price is 99.75 per cent. of par and interest rate 8.875 per cent. The loan is repayable in its entirety in 1980.

The other loan, concluded with Saudi Arabia on July 10, is denominated in various currencies (riyals, dollars and D-marks) totalling the equivalent of Kr.775m.

These two most recent loans bring the total of Norwegian State borrowing abroad this year to the equivalent of Kr.2.4bn., including Kr.1.02bn. worth of D-marks, Kr.730m. worth of dollars, Kr.360m. worth of Saudia Arabian riyals and Kr.295m. worth of Swiss Francs. The Government has borrowed in a number of currencies in order to minimise the risk of loss through currency fluctuations.

In April this year, the Storting (Parliament) authorised the Government to raise Kr.5bn. worth of State loans abroad. Of the Kr.2.4bn. so far borrowed in 1975, Kr.300m. was borrowed under an authorisation dating from 1964, so that Kr.2.9bn. of the April authorisation remains to be used. Mr. Magnussen said yesterday that the Government would consider later this year whether additional loans were needed.

The Storting has also authorised the Government to issue guarantees for other Norwegian borrowing abroad up to a total of Kr.1bn. So far, about half this authorisation has been used.

Norway's balance of payments deficit, on current account, was Kr.7bn. during the first five months of this year, and some forecasts now put the total for 1975 at about Kr.17bn. The original estimate of Kr.7.3bn. made in the natinoal budget for 1975, has had to be repeatedly revised upwards, mainly owing to a steep fall in earnings by Norway's merchant fleet, and a big increase in the visible trade deficit as exports have been hit by the world slump.

## Record second quarter for Squibb

Financial Times Reporter

SQUIBB REPORTED that its sales and net income for the second quarter reached new highs for the April-June period, as sales increased 14 per cent. and net income rose 12 per cent. Earnings per share climbed to $0.56 from $0.51. Sales totalled $269.20m. compared with sales of $235.75m. in the second quarter of 1974. Net income was !25.49m., against $22.70m.

For the first six months of 1975, sales advanced 12 per cent. to $513.30m. from sales of $457.32m. in the first half of 1974. Net income rose 12 per cent. !43.26m. from $38.79m. Earnings per share were $0.96 compared with $0.87.

Chairman and chief executive Richard M. Furlaud said: "Our pharmaceutical and confectionary sales and profits were strong in the first half. The rate of sales growth of our pharmaceutical operations abroad continued to be excellent, while pharmaceutical operations in the U.S. also achieved good results with strong sales of diagnostic products more than offsetting weaknesses in anti-biotics. Sales of surgical instruments by Squibbs's subsidiary Edward Weck were also excellent."

Mr. Furlaud said that he believed that the recession had had an impact on pharmacy sales in the U.S. "Nevertheless," he continued, "Squibb completed a successful first half.

"An outstanding performance by Life Savers, our confectionery subsidiary, made a significant contribution to first-half results," Mr. Furlaud said. Dobbs, the food-service subsidiary, had a modest sales gain for both the second quarter and the first six months of 1975. Profits, particularly in the air-travel-related operations, were adversely affected by general economic conditions. Most of the company's on-the-street restaurants performed well.

Lanvin-Charles of the Ritz, the cosmetic and fragrance subsidiary, experienced better sales in the second quarter as retail stores enjoyed a business upturn. As expected, the subsidiary operated at a loss during the quarter, but this loss was considerably less than that incurred in the first quarter of this year or in the second quarter of last year, when its major plant was on strike. LCR's operations abroad achieved substantial growth in sales and profits.

## Thyssengas deal scrutinised

BY LESLIE COLITT

BERLIN, July 24.

THE WEST GERMAN Cartel Office here is to decide shortly whether it must be formally notified of a bid for a 50 per cent. stake in Thyssengas by West Germany's largest gas producer, Ruhrgas, and the Gelsenwasser Company. Preliminary hearings of company officials to this end have been held at the Cartel Office, which must establish whether the companies fit the criteria of "market dominating" operations.

Under West German merger control law, companies with such a market position must report takeover bids to the Berlin Agency of the Federal Economic Ministry—which is also expected to be the case in this instance.

The Cartel Office would then go on to hold closed hearings at which representatives of the companies involved would explain their positions. Afterwards the Cartel Office would hear the views of consumer groups, both industrial and private, and then would decide whether the move reinforces conditions of market domination by the participating firms.

Ruhrgas of Essen produces some 50 per cent. of the output of West Germany's gas industry and has expanded steadily in recent years. The 50 per cent. interest is being offered by the Thyssen-Bornemisza group . . . with the other half remaining with Esso and Shell.

Reuter adds: the West German Cartel Office said it has no objections to the purchase by Iran of a 25 per cent. stake in Deutsche Babcock und Wilcox.

In this case, it said, there is no likelihood that the deal will lead to the establishment or strengthening of a dominant market position.

The German company first announced in April that Iran planned to buy a 25.02 per cent. stake in it from Babcock and Wilcox of the U.K. for some DM178m.



Company Results

## Bell Canada earnings slip

● Bell Canada's unaudited consolidated earnings per share for the second quarter of 1975 are estimated at $C1.50, compared with $C1.54 for the similar period last year. For the first six months of this year, earnings per share are expected to be $C2.71, compared with $C2.95 for the corresponding period last year. Reported earnings for 1974 have been restated by six cents a share to reflect the 10 per cent. Federal surtax imposed in November, 1974, effective from May 1, 1974.

● Imperial Oil first half earnings fell slightly to $C1.10 (1.25) per share on net of $C143m. (162m.). Year-ago results were restated to reflect the retroactive effect of the November, 1974, Federal budget on income taxes.

J. A. Armstrong, president, said although petroleum product prices rose in the 1975 first half, market forces did not permit increases large enough to offset inflationary increases in material and operating costs. Total government take from Imperial's operations, excluding road and export taxes, was $C277m. in the 1975 first half, he said. Production of crude oil, he added, was down due to reduced demand. Reduced export demand reflected the relatively high cost including export tax on Canadian crude, he said.

● Marathon Oil second quarter net earnings fell to $1.10 per share (1.68) on net of $32.6m. (50.2m.) on revenues of 771.8m. (806.2m.).

● Total Petroleum (North America reports first half profit of 20 cents per share or net of $2.54m. against a loss of 4 cents per share or $8,000 net. Revenues totalled $109.1m. (100.3m.).

● Schlumberger second quarter net earnings rose to 97 cents per share (64 cents) on net of $53.196m. (35.192m.) on revenues of $388.6m. (302.4m.). Per share figures have been adjusted for a three-for-two stock issue on March 21, 1975.

● Industrie Buitoni Perugina (IBP) posted consolidated group revenue of L125bn. in the first half this year, up 8 per cent. from the January-June period in 1974. The company noted however, that higher revenue was due to higher prices as its sales volume declined both on the domestic market and abroad. Sales of pasta dropped 3 per cent. and sales of chocolate 10 per cent. on the Italian market.

## SELECTED EURODOLLAR BOND PRICES
### MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer |
|---|---|---|
| Amax 8½pc 1986 | 99 | 100 |
| Ashland 8pc 1987 | 92 | 93 |
| Austraswiss 8pc 1987 | 89 | 90 |
| BFCE 9pc 1980 | 98½ | 99½ |
| Borregaard 8½pc 1989 | 94½ | 95½ |
| Carrier 8pc 1987 | 91 | 92 |
| Conoco 8pc 1986 | 96½ | 97½ |
| Consd. Foods 7¾pc 1991 | 86½ | 87½ |
| Cutler Hammer 8pc 1987 | 91 | 92 |
| EIB 9¼pc 1985 | 101 | 102 |
| Esso 8pc 1986 Nov. | 98½ | 99½ |
| General Cable 8½pc 1987 | 89½ | 90½ |
| General Motors 8½pc 1986 | 102 | 103 |
| GTE 8½pc 1986 | 97 | 98 |
| ICI 7¾pc 1992 | 78 | 80 |
| Nat. Grindlays 7½pc 1987 | 77 | 79 |
| Pacific Light 8pc 1988 | 91 | 92 |
| Prov. of Quebec 7½pc 1988 | 88 | 89 |
| Quebec Hydro 8½pc 1989 | 96 | 97 |
| Queensland 8½pc 1987 | 88 | 89 |
| Scanraff 8½pc 1988 | 97 | 98 |
| Shell 8pc 1986 | 97½ | 98½ |
| Standard Oil (Inc.) 8½pc '88 | 99 | 100 |
| Tenneco 7¾pc 1987 | 88 | 89 |
| Transocean 8pc 1988 | 98 | 99 |
| TRW 8¼pc 1986 | 96½ | 97½ |
| Utah 8pc 1987 | 92 | 93 |
| Volvo 8½pc 1985 | 99 | 100 |
| **NOTES** | | |
| Air France 9½pc 1982 | 101 | 102 |
| Aust. Ind. Dev. 10½pc 1981 | 103 | 104 |
| Barclays 7¾pc 1978 | 97 | 99 |
| Cie Ntl. du Rhone 10pc '82 | 103 | 104 |
| Du Pont 7½pc 1978 | 101 | 102 |
| Esso 7½pc 1978 | 100 | 101 |
| General Motors 8½pc 1976 | 101 | 102 |
| Marubeni 9½pc 1983 | 100 | 101 |
| Nippon Fudosan 10½pc 1981 | 102 | 103 |
| Skand. Enskilda 10½pc '81 | 103½ | 104½ |
| Tenneco 7¾pc 1979 | 98 | 99 |
| Tokyo Curacao 10¼pc 1981 | 102 | 103 |

Source: White Weld Securities.

| CONVERTIBLES | Bid | Offer |
|---|---|---|
| American Express 4¼pc '87 | 87 | 89 |
| Ashland 5pc 1988 | 79 | 81 |
| Beatrice Foods 4¼pc 1992 | 94 | 96 |
| Beatrice Foods 4½pc 1992 | 95 | 97 |
| Borden 5pc 1992 | 91 | 93 |
| Broadway Hale 4½pc 1987 | 75 | 77 |
| Canon Camera 7½pc 1989 | 90 | 92 |
| Carnation 4pc 1987 | 88 | 90 |
| Chevron 5pc 1988 | 99 | 101 |
| Dart 4¾pc 1987 | 86 | 88 |
| Eastman Kodak 4½pc 1988 | 113 | 115 |
| Economic Labs. 4½pc 1987 | 83 | 85 |
| Ekdal 7½pc 1989 | 92 | 94 |
| Ford 6pc 1986 | 85 | 87 |
| Ford 5pc 1988 | 73 | 75 |
| Fuji 6½pc 1985 | 188 | |
| General Electric 4¼pc 1987 | 84 | 86 |
| Gillette 4¾pc 1987 | 77 | 79 |
| Gould 5pc 1987 | 82 | 84 |
| Halliburton 4½pc 1987 | 129 | 131 |
| Harris 5pc 1992 | 66 | 68 |
| Hitachi 6½pc 1984 | 100 | |
| Honeywell 6pc 1986 | 77 | 79 |
| ITT 4½pc 1987 | 69 | 71 |
| Komatsu 6½pc 1984 | 198 | |
| J. Ray McDermott 4¾pc '87 | 145 | 147 |
| Mitsui 6½pc 1986 | 141 | |
| J. P. Morgan 4½pc 1987 | 120 | 122 |
| Motorola 4½pc 1983 | 125 | 130 |
| Owens Illinois 4½pc 1987 | 89 | 91 |
| J. C. Penney 4½pc 1987 | 85 | 87 |
| Pioneer 6¾pc 1989 | 138 | 133 |
| Rand Selection 6½pc 1986 | 94 | |
| Rank 4½pc 1993 | 42 | 44 |
| Revlon 4½pc 1987 | 98 | 100 |
| Sperry Rand 4½pc 1987 | 97 | 99 |
| Squibb 4½pc 1987 | 87 | 89 |
| Toshiba 6½pc 1985 | 113 | |
| Union Carbide 4½pc 1982 | 104 | 106 |
| Warner Lambert 4½pc 1987 | 95 | 97 |
| Warner Lambert 4½pc 1988 | 80 | 82 |
| Xerox 5pc 1988 | 74 | 76 |

Source: Kidder, Peabody Securities.

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## MINING NEWS

# Inco half-year profits down by 31%

BY KENNETH MARSTON

A SHARP fall in half-year earnings, despite increased net sales of $835.4m. (£382m.) compared with $741.8m. in the first half of 1974, is reported by Canada's International Nickel. Earnings for the past 6 months have dropped to $105.4m. (£48.3m.) from $153.3m. (£70.3m.) a year ago, the respective per share figures being $1.41 (65p) and $2.06. The 35 cents (16p) quarterly dividend rate is maintained, however.

Inco attributes the setback to substantially lower deliveries of nickel, the fall in copper prices and increased unit costs and expenses in the group's metals business. Although improved prices were obtained for nickel, deliveries in the past six months fell to 181m. lbs from 289m. lbs a year ago while those of copper amounted to 173m. lbs compared with 186m. lbs.

Inco's latest results include those of the ESB multi-line battery subsidiary which was acquired in August last year. The latter company has suffered from a low demand for its consumer products and has contributed only slightly to Inco's latest half-year earnings.

### CLEVELAND AND ROBE RIVER

An international mining giant which is still going from strength to strength is America's Cleveland-Cliffs Iron. The chairman, Mr. H. S. Harrison, says that the iron ore group expects to announce record net earnings of some $8.7m. (£3.99m.) for the second quarter which would make a best-ever half-year total of about $13.5m.

This would equal more than $4.35 per share compared with $3.35 per share for the first half of 1974. A major factor in the rise in profits has been the good earnings performance of the Robe River iron ore project in Western Australia. The other major partners in this operation are Japan's Mitsui and Australia's Robe River company.

Mr. Harrison points out that the Robe River operation, which is expanding its pellet plant capacity from an annual 4.2m tonnes to 4.7m. tonnes, is supplying both Japanese and European customers. Europe, he adds, is a promising market for Australian iron ore, but Japan continues to be the principal market, of course.

### COAL WEALTH IN APPALACHIA

While the world energy crisis has given a new lease of life to the coal industry, a good deal of interest centres on the U.S. potential and the Amax group has big expansion plans in this direction. Furthermore, a Government sutdy group has been looking into the coal potential of the vast Appalachian region which stretches along the eastern side of the U.S.

The region already produces some 400m. tons of coal a year, or about two-thirds of the country's output. The National Science Foundation, Council on Environmental Quality and Appalachian Regional Commission reckon that the area could more than double its production by 1985 and gradually increase this to the 1.35bn. tons mark by the end of the century.

But they add that major problems will need to be overcome in order to make the most of this vast store of energy. It is pointed out that the region's ability to supply an annual 1.35bn. tons of coal could be restricted by inadequate transport facilities, restrictions on the development of plants to convert coal into other fuels and the absence of effective regional and State energy conservation plans. Coal like most other minerals is going to become more precious as the years go by, it seems.

### ROUND-UP

The Duval Corporation unit of America's Pennzoil is further to cut copper production by 25 per cent. at its Mineral Park open-pit in Arizona. The property produced 20,000 tons of copper last year. Pennzoil expects that virtually all the copper produced at Duval's big Sierrita mine will be delivered to the U.S. General Services Administration under an accelerated payment schedule rather than be sold on the open market.

* * *

The U.S. copper-orientated multi-minerals giant, Anaconda, reports an operating loss of $22.89m. (£10.5m.) for the half year compared with a profit of $61.05m. in the first six months of 1974. In per-share terms, the latest figure equals a loss of $1.04 compared with a profit of $2.76 a year ago.

* * *

Australia's Selcast Exploration, in which the London Selection Trust group has a beneficial interest of 84 per cent., reports that a first full quarter's production of 21,824 tonnes of nickel ore was shipped from the Western Australian Spargoville mine to the North Kalgurli concentrator in the three months to June 30. From this, 3,862 tonnes of concentrates grading an average 13 per cent. nickel were produced for despatch to Western Mining's smelter.

* * *

Agreement in principle has been reached whereby Rand Selection is to acquire the remaining 7 per cent. of the South African Townships' capital which the former does not already own. The take-over terms are: 140 Rand Selection shares for every 100 S.A. Towns. The latter were a rather nominal £11.50 in London yesterday while Rand Selection closed at 937p.

### Aid for U.K. exploration

EXPLORATION for minerals in the U.K. continues in its quiet way. The Mineral Exploration and Investment Grants Act's third annual report, published by the Department of Industry, says that in the year to last March three British companies and five overseas firms registered here applied for £93,115 worth of aid for 15 exploration projects.

Eight of these were for fluorspar exploration in the North of England while others were for base-metals in Wales, Scotland and the South-West. Applications covering a further £85,706 involving 18 projects are still under consideration. Assistance totalling £1.36m. has so far been approved since the Act came into force in February, 1972.

It enables the Government to give financial assistance towards exploration for mineral deposits in Great Britain and on the Continental Shelf. Up to 35 per cent. of the costs of searching for non-ferrous metals, fluorspar barium minerals and potash may be obtained up to the point at which a decision can be taken on the commercial viability of an orebody. Copies of the latest report are available from HM Stationery Office bookshops at 18p, or 23½p by post.

### MINING BRIEFS

GOLD AND BASE METAL OF NIGERIA—June output of concentrates (73 per cent. grade): figures in metric tonnes: Tin 36, Columbite 1. Six months to June 30: Tin 190, Columbite 3 (same period last year 239 and 4 respectively).

WESTERN MINING—Four weeks to July 15: Central Norseman Gold treated 7,891 tonnes for 3,953 ounces. Kalgoorlie Lake View treated 84,153 tonnes for 12,579 ounces.

RENISON—

| | 52 weeks to 24.6.75 | 23.6.74 |
|---|---|---|
| Ore treated (tonnes) | 457,498 | 389,642 |
| Grade (per cent. tin) | 1.25 | 1.46 |
| Concentrates | (tonnes) | |
| High grade | 8,288 | 6,904 |
| Low grade | 3,056 | 2,188 |
| Tin metal in concentrates | 3,889 | 3,930 |
| Recovery of tin metal in concentrates (per cent.) | 68.8 | 69.2 |

The International Tin Council has imposed further export control period from July 1 to September 30, 1975, and restricted Australian exports for the 92 days in the period to 1,442 tonnes. The export restrictions together with the decline in the Australian domestic consumption of tin are expected to restrict the company's sales by more than 40 per cent.

## BIDS AND DEALS

# Eddy Match now has a third suitor

WILKINSON MATCH is now considering what to do next following a third bid for Eddy Match of Canada, in which it has a 65 per cent. stake from Galt Malleable Iron of Ontario.

Wilkinson is seeking to sell Eddy, which makes steel office equipment and matches, and buy back its match making division, which, in 1974, had sales of $7m. out of group sales of $21m.

But soon after the company reached agreement in principle with Warrington Products, a Canadian concern, to sell Eddy for $7.5m. ($25 a share) and buy back the match business, there was a rival bid from Central Ontario Fund, which also offered $7.5m. but added half of a Preference Class A share in COF for every Eddy share.

Now Galt has entered the list with a bid of $30 a share which values the company at $9.02m. Both Galt and Warrington are prepared to sell back Eddy's match interest, but COF's intentions are unclear.

Wilkinson is now considering its next move and the managing director and the finance director have flown to North America.

### THOS. MARSHALL

Thomas Marshall Investments, the Manchester-based clothing group which numbers Marks and Spencer as one of its customers, has bought a thirteenth clothing manufacturing company—Robert Dewhurst Holdings of Nantwich—for £140,000 cash.

In the year to January 18, 1975 Dewhurst incurred a loss of £15,794 while Thomas Marshall, in the year to March 31, 1975, made pre-tax profits of £1.15m. on sales of £18m.

### BRITISH LEYLAND

British Leyland Motor Corporation announces that the cash alternative under the scheme of arrangement has closed. An announcement of the number of acceptances will be made as soon as possible.

It is provisionally estimated that 130,000 Ordinary holders accepted in respect of approx. 78 per cent. of the Ordinary capital. The number of Ordinary holders remaining on the register is estimated at 110,000 holding in aggregate approx. 130m. Ordinary shares (22 per cent.).

### SANDERS-FRANCE

The state-run Enterprise Miniere et Chimique (EMC) has acquired a 50 per cent. interest in Societe Sanders-France, major French producers of animal feed, and a wholly-owned subsidiary of Societe Generale Alimentaire, itself a member of the French-British Generale Occidentale-Cavenham group.

Sanders-France accounts for 25 per cent. of the French market for animal feed, with an annual turnover of Frs.590m., while EMC, a major producer of basic raw material for agriculture use, including phosphates and urea derivative, accounts for 10 per cent. of the feed market, with consolidated sales of Frs.4bn.

### BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims: Allied Textile, Lloyd's Bank, Midland Bank.

Finals: Adda International, Common Market Trust, LRC International, H. Miller Investments, W. E. Norton, Peldayne, James Scott Engineering, Sopre, Wheelers Restaurants, Williamson Tea.

FUTURE DATES

| | |
|---|---|
| **Interims:** | |
| Albion | July 29 |
| Artagen Properties | July 28 |
| Bath and Portland | July 28 |
| Blackman and Conrad | July 28 |
| Britannic Assurance | Aug. 6 |
| Ladies Pride Outerwear | Aug. 7 |
| Lamson Industries | July 31 |
| Leda Investment Trust | July 30 |
| Moorside Trust | Aug. 6 |
| River and Mercantile Trust | Aug. 5 |
| River Plate and Gen. Inv. Tst. | Aug. 7 |
| Royal Insurance | Aug. 13 |
| Wardle (Bernard) | Aug. 17 |
| Westinghouse Brake and Signal | Aug. 5 |
| **Final:** | |
| Blakeys Malleable Castings | July 29 |
| Econa | July 31 |
| Eduro | July 28 |
| Monitor Holidays | *July 31 |
| Norton and Wright | July 28 |
| Radley Fashions and Textiles | Aug. 14 |
| Ransom (William) | July 31 |

* Amended.

### STAVELEY

Staveley Industries has arranged to acquire Hall and Kay, mechanical and electrical engineers at Ashton-under-Lyne for an undisclosed amount of cash.

### NO PROBE

The proposed merger between House of Fraser and Chiesmans is not to be referred to the Monopolies Commission.

### OWECO

Armco Steel, the fifth largest steel company in the U.S., with sales last year of £1.4bn., has bought the outstanding 50 per cent. of Oweco, the Stockport oil and gas drilling equipment manufacturer, for an undisclosed amount.

Oweco, which sold 92 per cent. of its £4.5m. turnover abroad last year, makes wellheads, pumps hoses and other products as well as drilling equipment and machinery and has been 50 per cent. owned by Armco since 1928.

The 50 per cent. now acquired has been bought from ACF Industries and Armco intends to develop Oweco's involvement in the North Sea in the years ahead.

### Terms for Bensons

Agreement has now been reached on the terms foreshadowed earlier this week, for a take-over bid for Bensons International Systems, the manufacturer of loose-leaf ring fittings, from Esselte, the Swedish paper and stationery group.

As expected, the offer is of 190p cash for each Benson Ordinary, Benson shareholders being entitled to receive an interim dividend, not exceeding 1.28p, in respect of six months to June 30, 1975.

At the time of the offer, Bensons will submit to holders of 7½ per cent. convertible unsecured loan stock 1982-87 a scheme to cancel such stock. Holders to receive £122.58 cash per £100 stock, subject only to the offers becoming unconditional.

The Benson Board recommends the offer and the scheme. Members of Benson family have, with the consent of the City Take-over Panel, irrecoverably accepted the offer in respect of holdings amounting to 1,134,133 shares, 53.37 per cent. of the equity.

### London and Northern progress

The trend of reduced borrowings at London and Northern Securities had started to emerge and was expected to accelerate during the remaining months of the year, said chairman Mr. J. H. Mackenzie at the annual meeting.

Also the improvmeent of group profits which occurred in the second half of 1974 had continued confirming the forecast of satisfactory growth for 1975 as a whole.

The company's name was changed to London and Northern Group.







## COMPANY NEWS IN BRIEF

ASSOCIATED BRITISH ENGINEERING—No dividend (same). Turnover year to March 31, 1975, £2,464,773 (£2,674,871). Trading profit £12,666 (£53,420). Development expenditure £41,000 (£8,000). Tax credit £4,879 (debit £19,789). Loss attributable £23,255 (profit £37,622).

BAY HALL TRUST—Pre-tax net revenue half year to June 30, 1975, £121,459 (£177,923). Tax £15,559 (£73,535). Net asset value £19,496,000 (£16,203,000 at December 31, 1974). Company is subsidiary of Union Corporation.

BORELLI TEA COMPANY—Dividend 3.7336p (3.5175p) for 1974. Turnover £850,990 (£841,273). Profit £50,756 (£67,014), after tax £105,550 (£11,888).

BRITISH AUSTRALIAN INVESTMENT TRUST—Interim dividend 0.18375p net (same and 0.7p total). Pre-tax revenue for six months to June 30, 1975, £117,000 (£102,000) after management expenses £11,000 (£12,000). Tax £59,000 (£53,000) leaving £58,000 (£49,000). Net asset value per 25p share 45.1 (37.97p).

BRYCOURT INVESTMENTS—Portfolio at June 30, 1975, shows a valuation of approximately £5.54m. compared with a valuation at March 31 of some £4.75m. Net asset value attributable per 50p share is 76.3p (67.9p) at March 31.

BURTONWOOD BREWERY COMPANY (FORSHAWS)—Results for the year to March 31, 1975, reported June 26. Group fixed assets £4.82m. (£4.30m.). Current assets £1.03m. (£940,892). Current liabilities £1.22m. (£959,510). Sales in current year again look buoyant but no benefit of an Easter holiday in this year. Meeting, Burtonwood on August 14 at 2.45 p.m.

CAPITAL AND COUNTIES PROPERTY—Because of delays in completion of accounts, preliminary results for year to March 25, 1975, will be issued in second half of September and AGM held October.

DERBY TRUST—In six months to end June, 1975, total value of assets rose by 56 per cent. to £9,947,805. Equity portfolio rose by 73½ per cent. and accounted for 91½ per cent. of total assets at June 30 as compared with 88.9 per cent. at end December, 1974. As result of sharp recovery in share markets and high gearing of capital shares there has been a considerable rise in asset value per capital share. Assets attributable to capital shareholders at June 30, 1975 £4,398,319 (£809,737 at end of 1974). Asset value per capital share £1.72 (£0.318). At June 30, 1975, notional liability to corporation tax on unrealised capital gains of 4.7p per capital share and a potential obligation to surrender 25 per cent of Investment Dollar Premium of 11.7p (nil and 7.6p respectively at December 31, 1974). Income available for distribution £110,561 (£124,195) equivalent to distribution of 4.331p per share net (4.863p). Lower receipts for half year reflect change in incidence of dividends as result of portfolio alterations and increase in tax and expenses but it is expected that the full year's distribution will not be substantially different from last year. Revenue (including tax credit where applicable) after interest and management expenses £173,948 (£196,684). Taxation £63,387 (£72,486). Distribution to income shareholders £110,561 (£124,195) or 4.331p (4.863p) per share. To be paid on August 31, 1975.

ENERGY SERVICES AND ELECTRONICS—Board states 1974 profit figures now available but due to complications arising out of the sale of EAE, consolidated balance sheet not yet complete. Considered inadvisable to release profit figures until balance sheet is available and this will be completed within next fortnight. Figures will be released at earliest possible date. Indication of profit for half-year to June 30, 1975, will be given at same time.

ENGLISH ASSOCIATION OF AMERICAN BOND AND SHARE HOLDERS—Interim dividend 4.875p (5.925p and 18.425p total). Profit half year to June 30, 1975, £36,030 (£34,300), including dividends and interest on investments £91,590 (£29,800), but after expenses and depreciation £64,010 (£60,800). Tax £13,700 (£11,600), leaving £22,330 (£22,700).

ENGLISH CARD CLOTHING CO.—Results for year to March 31, 1975, reported July 3. Group fixed assets £2.52m. (£2.39m.). Net current assets £3.05m. (£1.75m.). Order books are less satisfactory than during the past year. Chairman confident that group will gain a reasonable share of the available business. Mr. J. Hyman and his associates hold 1.4m. Ordinary shares in the company. Meeting, Huddersfield on August 15 at 2.30 p.m.

Thomas Hardman and Sons (mechanical cloth manufacturers)—Results year to March 31, 1975 reported June 21. Fixed assets £578,502 (£570,173). Net current assets £623,519 (£573,488). Scapa Group owns 49.9 per cent. of equity. Meeting Bury, August 14 at 11.30 a.m.

HENDERSON-KENTON—Results for the year to March 31, 1975, reported July 4. Group fixed assets £2.46m. (£2.1m.). Net current assets £2.7m. (£1.9m.). Sales and profits to date are well in excess of last year, even allowing for inflation. Chairman anticipates another successful year. Company is in strong position to finance its planned expansion, which is continuing "most satisfactorily." Pre-tax profit on CPP basis £757,000 (£790,000) and historic £871,000 (£896,000). Earnings per share 4.7p (5.8p) and 6.8p (5.5p). Meeting, Dorchester Hotel, W., on August 18 at 12.30 p.m.

KIMPHER (advertising and market services)—Results year ended March 31, 1975, reported July 9. Group fixed assets £423,000 (£492,000). Premium on acquisition of subsidiaries £1,451,000 (£1,379,000). Net current assets £128,000 (£245,000). In their report the auditors state that the figure shown as premium on acquisition of subsidiaries represents the excess cost of shares in subsidiaries over book value of their net tangible assets at acquisition dates. In view of the current level of group profits they have been unable to form an opinion as to whether the goodwill content of these investments continues to substantiate the premium paid. Meeting, Winchester House, E.C., August 13, at noon.

MAJULI TEA—Dividend 4.5045p (4.221p). Profit for 1974 £87,448 (£20,390), after tax £167,672 (£55,561). Earnings per £1 share 25.80p (8.81p).

MOORGATE INVESTMENT COMPANY—Results for year to May 31, 1975, reported July 19. Quoted investments in U.K. £2.49m. (£2.25m.), abroad £330,775 (£377,175) and unquoted £26,355 (£37,015). Holdings in company: Philip Hill Investment Trust, 13.4 per cent.; Royal Insurance Company, 10.7 per cent.; Prudential Assurance Company, 10.2 per cent. Meeting 9, Waterloo Place, on August 10, at 3.15 p.m.

NEIL AND SPENCER HOLDINGS (dry cleaning and laundry machinery)—No interim (same). Sales half year to May 31, 1975 £2,744,000 (£3,050,000). Profit £99,000 (£92,000), before loan interest £35,000 (£37,000) and exceptional items £16,000 (nil). Pre-tax profit £48,000 (loss £5,000). Tax £51,000 (£50,000). Despite difficult trading conditions profit margins were maintained though not at acceptable level. Recently some increase in the order intake. Cash position satisfactory.

PENTLAND INDUSTRIES—Results for 1974 already known. Group fixed assets £222,961 (£228,869). Net current assets £891,528 (£884,155). Meeting, New Barnet, August 12 at noon.

ROMAI TEA HOLDINGS—Turnover for 1974 £268,291 (£282,703). Profit £[illegible] (£35,980) after tax £21,884 (£7,709). Earnings per £1 share 20.74p (21.82p). Dividend 10p (same) already paid.

RUBISLAW INVESTMENT TRUST—Gross revenue half-year to March 31, 1975, £44,200 (no comparison). Available for Ordinary £39,200 (£40,329). Interim 0.75p (same). Net asset value per share 48.6p (68p). During half-year losses of £66,500 incurred on realisation of investments. Shares issued as consideration for Consolidated Commercial Company do not rank for interim dividend. As a result of the offer for Consolidated Commercial the figures can be of historical interest only. As a result of Rubislaw's change of direction, it will in future be quoted in the commercial section of the Official List.

SAINT PIRAN LTD. (tin mining and property development)—Dividend 0.625p (1.69985p for 15 months). Turnover for year to March 31, 1975, £7,483,070 (£4,637,110). Pre-tax profit £239,391 (£541,501) including property development, U.K. £298,082 (£555,231) but after overheads and interest £250,387 (£88,517), and exceptional item £154,199 (nil). Tax £19,449 (£117,508). Extraordinary credit nil (£317,236), minority interest £19,932 (£21,501). Amount written off goodwill £100,000 (£288,471). Profit attributable £110,019 (£353,259). Earnings per 25p share 3.60p (1.76p).

SELECTION TRUST—Results for year ended March 31, 1975, already known. Fixed assets £29.92m. (£29.93m.). Investments £24.48m. (£22.92m.) value exceeds book figure by £123.20m. (£105.66m.). Other interests total £9.35m. (£12.37m.). Net current assets £18.34m. (£2.71m.). At June 21 Charter Consolidated and companies associated with it held 31.12 per cent. of the shares. Meeting, 100, Old Broad Street, E.C., on August 14 at noon.

SIMONSIDE INVESTMENT CO.—Gross income half year to June 30, 1975 £77,103 (£92,896). Interest and expenses £89,617 (£78,246). Loss per £1 share 0.41p (earnings 0.34p). Net assets per share 80.4p (85.6p).

UNITED BRITISH SECURITIES TRUST—Net asset value per Ordinary share £2.40 (£1.78).

WALKER AND STAFF HOLDINGS—Results for year ended March 31, 1975 reported July 10. Group fixed assets £70,286 (£150,640). Net current assets £395,134 (£271,070). Meeting, 6, Boundary Street, E., on August 12 at noon.

WASHINGTON INVESTMENT COMPANY—Dividend for year ended June 30, 1975, 0.85p net (same). Gross income £567,189 (£440,495). Interest charges £195,212 (£272,345), management expenses £27,765 (£38,934), tax £30,162 (£51,207), leaving £80,970 (£77,009). Dividend £63,730 (same). Investment at value £2.91m (£4.22m.). fixed deposit £500,000 (£2m.). [illegible] net current [illegible] assets). Debenture [illegible] loan £1.67m. [illegible] share 38.1p [illegible] premium 71[illegible] contingent [illegible] render per share [illegible].

WEST COAST AND TEXAS REGIONAL INVESTMENT TRUST—Net assets at June 30, 1975, were [illegible] (December 31, 1974, £1.[illegible]) equivalent to 86.6p per share (84.4p) including 100 per cent. of the investment currency premium. Revenue for half year to June 30, 1975, was £8,648 [illegible] £2,910 (£378). Revenue for six months should not be taken as an indication of total revenue for full year.

WESTON-EVANS (HOLDINGS)—Results for year to March 31, 1975, reported July 9. Group fixed assets £1.59m (£1.61m.), net current assets £1.35m. (£1.09m.). Analysis of profits shows: U.K. general engineering £373,325 (£323,048), U.S. general engineering £167,950 (£177,731), U.S. packaging materials £305,361 (£291,255). Meeting, Manchester, August 14, at noon.

YORK TRUST—Profit year to March 31 1975, was £73,504 (£82,562). Tax takes £37,499 (£45,295) and extraordinary debit £1,961 (credit £19,723) leaving net profit £36,045 (£57,292). Earnings per share 1.04p (1.01p).

## LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967
LEWSTON PROPERTY GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required on or before the 5th day of October, 1975, to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to O. N. Martin F.C.A. of 19, Eastcheap, London, E.C.3, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are by their Solicitors or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
S.I.B. INVESTMENT COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required on or before the 5th day of October, 1975, to send their names and addresses and the particulars of their debts or claims [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
LEWSTON NOMINEES LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
ALDWYCH COMMERCIAL FINANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
HARTSBACK INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
FLAIRCROFT BUILDERS (SOUTH WALES) LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
LEWSTON INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
HORNBELL PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
ALDRIDGE ROAD PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

THE COMPANIES ACTS 1948 TO 1967
MIDMILL PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company [illegible]

Dated this 8th day of July, 1975.
O. N. MARTIN, F.C.A., Liquidator.

# The Property Market

BY JOHN TRAFFORD

## Uncertainty over industrial lettings

A FAMILIAR air of confusion has settled over the industrial lettings market with apparently contradictory reports from a wide number of agents. The question at issue: are rent levels going up, holding steady or falling? Furthermore, is the trend apparent in all kinds of industrial space and in all parts of the country?

Chamberlain and Willows, which last month stressed the attractions of investing in industrial property, report that for single-storey modern space in good locations and in the "popular" size range—5,000 to 15,000 square feet—rent levels are maintaining the peak levels achieved earlier this year. This may not be quite so bullish a view as that of Grimley and Son (which last month predicted a rent rise for new industrial and warehouse properties in the west Midlands) but it is a far cry nonetheless from the views of some other agents.

According to Property Agents International, for instance, industrial rent levels are showing clear signs of easing. Last week PAI, which represents 24 agents drawn from all parts of the U.K., reported that rent levels for the larger modern factories and warehouses had fallen back during the past three months and were now at about the same level as at the beginning of the year.

Many other agents see the same trend and, not surprisingly, blame the present economic uncertainties. In recent weeks many recount how they have found keen interest among local company managers for renting more industrial space thwarted by the company's head office which is trying to hold down costs and preserving a healthy cash flow.

Another aspect of industrial cost-cutting also seems to be having an effect on rent levels, which in some cases have shaded 5 or 7 per cent. in recent weeks. This is the tendency of companies to cut overheads by moving out of underutilised or inconvenient warehouses and factories. The result has been a flood of old and generally unattractive space on to the lettings market.

The increase in industrial space availability has been sufficiently marked for King and Co., which published its first U.K. industrial space survey in May, to delay the second edition which was due to appear in early August. Instead the agents hope to put out updated figures in September. A large increase in availability can be expected and, since the agents intend to give a breakdown between types of space available, it should be possible to see whether the surplus is largely in the older types of accommodation.

As always with depressed markets, it seems that the less desirable properties are the ones taking a hammering. It is probable that rent levels of second rate industrial property have fallen faster and further than those of the top quality premises where, as some reports indicate, there may not have been a decline at all.

Druce and Co.'s experience with older industrial premises in the inner London suburbs well illustrates the point. The agents report a 10-20 per cent. decline in rent levels for older space in Wandsworth and Vauxhall.
GROVE

In contrast they report a buoyant demand for prime out-of-town locations such as Leatherhead, Reigate, Redhill and Coulsdon. To-day the differential in rent levels between old and new, convenient and awkward, good location and poor, single or multi-storey seems more apparent than ever.

The trend, if trend it is, suggests that it is more difficult to move large slices of industrial space during the present recession than smaller packets. But, like every generalisation, there are plenty of reassuring exceptions. One of the most recent is the sale by the Brighton-based Tecore property group to Bejam of a 5.5 acre site at Hawley Lane, Farnborough (Hants.) with planning permission for 132,000 square feet of warehousing. Other companies were also interested in the site which Tecore was willing to develop itself or sell, as the circumstances demanded.

Tecore was represented jointly by Chamberlain and Willows and Messenger, May, Baverstock.

Bejam will put a freezer centre on the site to serve the affluent housewives of the region. But the lesson is that even in these times there is demand for well situated (M3 nearby) industrial sites which offer the larger companies a rare if not unique opportunity to realise ambitious expansion plans.

## The money in property

POLITICIANS of all political colours like to present themselves as experts on the world of property. They address voters, upbraid developers, cajole institutions and legislate endlessly on every aspect of land development.

The days of happy ignorance—where one man's prejudice was as good as the next man's—may well have gone with the appearance this week of a short report from Debenham, Tewson and Chinnocks. With the short but alluring title of "Money into Property" the report sets out to examine the financial involvement of the financial institutions and the banks in the (residential, commercial and industrial) property sector during the years 1970-74.

Even though the statistics are all drawn from official sources, this is probably the first time that they have been put together as useful background material for anyone interested in the broad sweep of property investment—politicians, commentators, corporate planners and investment advisers—to name but four.

Wisely, Debenham Tewson and Chinnocks eschews the temptation to comment on the figures, which is just as well since the tables and graphs can be interpreted in a number of ways depending on the interests and bias of the reader.

To take just one example. One graph shows the percentage of all bank advances that went into property and into manufacturing and service industries during the past five years.

Defenders of the property world can justly claim that the banks lent at least five times as much to manufacturing and service industries as they did to the property industry—so all that talk of industry being starved of funds was misleading. Equally, the critics of the property business could point to the fact that bank advances to property companies have been on a rising trend throughout most of the past five years while the percentage advanced to industry has been showing a fairly steady fall.

Probably the most important figures in the report are those showing a breakdown of the "involvement" (investment, mortgages and loans) of the financial institutions and banks in property. The total figure was £1,786m. in 1970 and rose to £2,522m. in 1971, £3,825m. in 1972, £4,601m. in 1973 and then fell back to £2,770m. in 1974. The breakdown given in the report underlines the helter-skelter lending by the fringe banks in 1973.

Graphs are used to show the percentage of public sector, local authority and private sector pension funds invested in property over the five years and comparable percentages are also given for insurance companies. Perhaps the outstanding feature is the rapid growth in the importance of public sector pension funds in 1973. With the very large awards in the public sector we have seen in the past year one may expect this source of property investment finance to increase yet again in 1975.

One may hope that the agents will update their report every year so that, at long last, the relative importance of the various investment organisations active in property are properly put in perspective.

*Debenham Tewson and Chinnocks, Bancroft House, Paternoster Square, London EC4P 4ET.*

## More expertise in planning

WHATEVER the future of the Community Land Bill, the RICS' newly-formed planning and development division is almost certainly here to stay.

The division, whose existence was formally recognised earlier this week with the announcement that Mr. Hadley Buck of Hillier Parker May and Rowden had been elected president, will raise the number of separate divisions at the RICS from six to seven. If Mr. Buck's ambitions are fulfilled and the division attracts 1,500 members it will be the fifth largest after the general practice division (16,000), the quantity surveyors (10,000), the land agent and agricultural surveyors (3,000) and the building surveyors (2,500). For the time being recruitment to the new division will be from the older established ones — 150 have already joined—but by 1977 the division's own syllabus should be drawn up so that new recruits to the RICS can join the division direct.

Those in the RICS who support the strengthening of the Institution's planning side see two justifications for setting up the new division. Internally it should now be possible for a semi-autonomous division to have a far greater say in formulating the RICS policy towards planning and development than the Planning Committee which previously reported to the Valuation, Estate Agency and Planning Division (now renamed the General Practice Division).

Externally, the division will have the status, the protagonists hope, to speak with far greater effect to Westminster, Whitehall, the Press and anyone else who might have an influence on planning and development procedures.

Four main categories of people can be expected to join: planners and valuers from local authorities; surveyors in private practice; and developers. The officers of the divisional council for the 1975-76 sesion emphasise this diversity. Apart from Mr. Hadley Buck as President and Chairman, there will be Mr. Henry Gilbert of Joshua Bury and Earle of Manchester as senior Vice-Chairman, Mr. Eric Sibert, the Planning Officer for Surrey County Council as junior Vice-Chairman and Mr. David George, the City Estate Surveyor at Sheffield as Honorary Secretary.

The intention is to give the new division a strongly practical bent, hence the coupling of "planning" (which can very easily be pie-in-the-sky) with "development" (which should take in financial and social considerations).

With the prospect of the Government's land legislation coming into effect next April, there will be plenty for the new division to do to help ensure that local authorities handle their new powers with aplomb.

## Investing in industrials

NEWS of investments in industrials continues to come in despite the present uncertain state of the lettings market. On the Sidcup by-pass in Kent, Supervents has found plenty of interest from would-be owner-occupiers and a couple of institutions for its 53,000 two-storey combined factory and office block since they put the property on the market six months ago. The successful purchaser, for whom Keith Cardale Groves acted, paid a sum close to the asking price of £650,000, while Druce and Co. acted for Supervents. For companies that can find the cash, the attractions of buying good industrial outright are clear enough.

In Sidcup as in the next example, location has clearly paid a major part in attracting investors. Last week Manston Development Group, the Leeds developers and building contractors, announced the sale of their recently completed and fully let Hunslet Road trading estate to the Wesleyan and General Assurance Society for £220,000. The development is prominently positioned at the junction of Hunslet Road and the M1 link road. The tenants, most of whom paid rents in the 90p a square foot range, include subsidiaries of Glynwed and Automotive Products as well as Ragosine. Letting agents were Weatherall Hollis and Gale, while Richard Ellis acted on behalf of Manston. Together the tenants occupy 27,230 square foot of space.

Considerable interest is being shown by very small companies in owner-occupation of industrial premises and Manston are at present looking at two sites in the Leeds area with a view to developing a number of small (maximum 2,000 square feet) industrial units for sale to small companies.

## OUT AND ABOUT

● Commercial Development Projects (Northern) has bought Niptor Properties' site on the East Middlesbrough Trading Estate on Teesside. Through its associated contracting company Marshall (Builders Elland), Commercial Development plans to start building an industrial/warehouse complex on the site in September. The total scheme will take two years to complete and cost more than £1m. Agents are Storey, Sons and Parker and Sanderson Townend and Gilbert.

● Britannic Assurance of Moseley, Birmingham, has paid more than £600,000 for two industrial buildings owned by Upper Penn Trust on Halesowen Industrial Park. One is a 75,000 square foot office and distribution centre let to Crown Products Group and a 23,000 square foot warehouse and office complex let to Sandvik Conveyors. The move will help Upper Penn Trust reduce its borrowings. Britannic Assurance was advised by Chesshire Gibson and Co.

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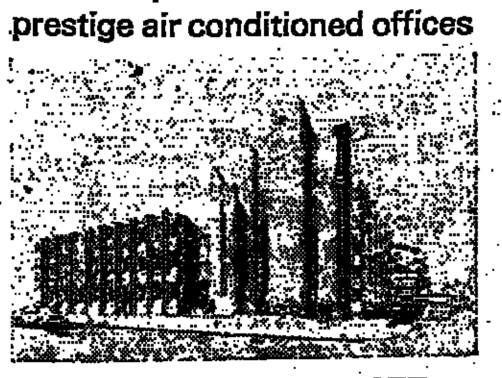

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Tel. + 45 3 27 40 86

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COMPANY NEWS

# Peachey explains its downturn

EXPLAINING THE fall in taxable profits from £2.3m. to £636,000 for the year to June 24, 1975, the chairman of **Peachey Property Corporation**, Mr. E. M. Miller says that the increase in net rental income was limited to about 7 per cent. by the rent freeze and that interest rates on bank borrowings escalated to an unanticipated extent.

He hopes it will be regarded as prudent to have disposed of the share portfolio even though a loss of £603,000 was incurred. "This is a fraction of the loss which would have been suffered if the decision had not been made at that time," he states.

As known the dividend is cut from 2.4806p to 0.25p net per 25p share. Mr. Miller tells members that more could have been paid from reserves but the Board considers that this would not be justified.

The auditors qualify their report in respect of the value of land purchased in Northamptonshire. They are unable to ascertain whether or not the group has sustained any loss from this transaction.

The chairman says that the venture was entered into with Murrayfield Industrial Securities. The land was purchased with the prior understanding that after roads, sewers and services had been provided it would be taken over by a housing association on terms to be agreed, he reports. "This transaction was, we felt, backed by sufficient evidence to justify our entering into it and playing a part in helping to provide much needed homes. Not only did the housing association fail in its promises but our partner failed in its obligations. We have recently obtained in the Chancery Division of the High Court judgment against our partner and are now taking the requisite steps to recover the monies expended on our partner's behalf."

An independent professional valuation of the property portfolio is currently being undertaken: on figures received to date the directors are of the opinion that the valuation will show a significant surplus over the amount of £33.64m. at which properties appear in the consolidated balance sheet.

Meeting, Churchill Hotel, W., on August 15 at noon.

Chairman's Statement, Page 19

## Crossfriars improvement

GROSS REVENUE of **Crossfriars Trust** rose from £567,828 to £658,514 in the year to July 3, 1975.

After interest and expenses of £467,661 against £364,179 and tax of £163,193 compared with £117,828 net revenue comes out £57,617 ahead at £304,468.

The interim dividend is 2.4p net. There is to be no further dividend this year. Last year's total was 2.01p.

Net asset value per 25p share at July 3 was 68.88p (61.84p).

## Reasonable start for J. Lyons

THE CURRENT year had started "reasonably satisfactory" for the **J. Lyons** group, chairman Mr. B. Salmon said after yesterday's annual meeting.

He saw no reason to change his forecast that the profit performance would be better than 1974.

He said the group had no plans for any major acquisitions at present, but over the longer term was looking at the possibility of further expansion in food manufacturing outside the U.K.

The U.S., Australia and Europe all provided possibilities for development of the business.

## New London Properties progress

Income from all sources of **New London Properties** increased from £1.29m. to £1.51m. in the year to March 25, 1975.

Earnings per 25p share advanced from 6.72p to 7.97p, and the dividend is raised from 4.5108p to a maximum permitted 4.7887p with a final of 2.5122p.

| | 1974-5 £000 | 1973-4 £000 |
|---|---|---|
| Income | 1,513 | 1,296 |
| Outgoings* | [illegible] | 722 |
| Taxation | [illegible] | 256 |
| Net revenue | 329 | 273 |
| Dividends | 200 | [illegible] |
| Fixed assets | 8,708 | 7,397 |
| Current assets | [illegible] | 2,652 |
| Current liabilities | 2,412 | 1,486 |

*Including interest and expenses

During the year a cash flow of £760,000 was generated of which £530,000 came from the sale of long leasehold flats. Investments in shop, office and industrial properties have been acquired costing £1.27m.

There were changes both in the content and in the value of the property portfolio and the directors believe as a result of a review by the managing director and the chief surveyor it would be prudent to expect some diminution in the total value of the properties which would result in a figure as at March 25 of approximately £12m. Additional estimated proceeds from sales of further leasehold flats are expected to produce approximately £2.75m. over the next few years.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

# Irregular after money supply hint

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 24.

STOCKS FOLLOWED an irregular pattern at 1 p.m. to-day in fairly active trading, showing little reaction to Mr. Arthur Burns, chairman of the Federal Reserve Board, who remarked he would seek moderate growth in money supply.

The Dow Jones Industrial Average was ahead 3.36 at 840.03, after being 5.16 ahead earlier. The NYSE All Common Index was up 4 cents at $48.44 while declines lead gains 578 to 315. Trading volume was moderate at 7.83m. shares.

**Closing prices and market reports were not available for this edition.**

Most analysts said Burns' testimony to the House banking committee was about as expected. But some said Wall Street appeared to view as somewhat encouraging his statement that the Federal's recent activities in markets did not mean it was pursuing a policy of pushing interest rates higher.

Eastman Kodak rose $2 to $97⅞. After the market closed yesterday, it reported lower second-quarter profits, but above the forecasts of industry analysts.

General Motors gained $¾ to $50¾. It reported strong mid-July car sales yesterday. Motors were narrowly mixed.

Du Pont picked up $1½ to $123 among the Chemicals. Oils were mixed.

Phelps Dodge lost a point at $36¾ a day after it came in with sharply lower quarterly profits.

Standard Brands added $¾ to $67, although trading in the issue was halted by the exchange after the company raised the quarterly dividend and proposed a two-for-one stock split.

International Nickel surrendered a fraction. The firm came in with lower earnings for the first half.

Fairchild Camera surrendered a fraction following a bearish earnings statement.

The American SE Market Value Index moved down 0.38 to 92.05, with volume at 1.17m. shares.

Shenandoah Oil, a volume leader, lost a point at $25.

Buttes Gas and Oil gained $¼ to $20¾ following a bullish earnings forecast from the company.

Golden Cycle added $¼ to $17¾ despite lower second-quarter earnings.

to 272.62 and Papers 0.63 to 114.03.

Placer Development was off $1 $20 following lower earnings. Acquitaine Company of Canada declined $¼ to $22.

PARIS—Mixed, the possibility of new Government moves to stimulate the economy in August providing only small encouragement.

Portfolios, Constructions, Engineerings, Stores, Metals and Chemicals mostly improved, although Foods, Motors, Rubbers, Electricals and Textiles were lower. Other sectors closed mixed.

Important gainers included Cetelem, Opfi, Babcock, Chiers, Esso, Dumez, Sias and Alsthom.

Major declines were seen in BSN, Hutchinson, CSF, Materiel Telephonique, CFP, BIC and Comptoir d'Fintreprises.

Foreign stocks were weak, apart from some Dutch and Canadians, and Golds which gained.

AMSTERDAM—Weakened over a broad front on lack of interest and Wall Street's continued weakness with Royal Dutch, Unilever and Hoogovens finishing lower in Internationals. AKZO and Philips were resistant.

State Loans also eased on large offerings.

Other major losses included OCE, RSV, Giessen, and Ahold, as well as the main Banks and Shippings. Nationale Nederlanden was resistant in Insurances. The main isolated firm spots were Meneba and Nijverdal.

BRUSSELS — Predominantly lower in continued slow trading.

Among mostly lower Metals, Asturienne declined Frs.90 to Frs.1,960 and Vieille Montagne down Frs.170 to Frs.4,310. Steels finished mixed. Cockerill dropped Frs.10 to Frs.1,070 and Clabecq rose Frs.65 to Frs.4,785. In lower Holdings, Mosane was off Frs.14 to Frs.706. Chemicals weakened with Tessenderloo down Frs.35 to Frs.1,510. Petrofina slipped Frs.10 to Frs.5,060 in easier Oils.

U.S. shares declined. GM dropped Frs.20 to Frs.2,020, Boeing was off Frs.30 to Frs.1,114, Westinghouse off Frs.32 to Frs.728 and IBM off Frs.270 to Frs.7,180.

GERMANY—The lower Wall Street trend and uncertainty over the future condition of the German bond market left stocks mixed in moderate trading, although losses predominated.

Banks closed mixed to higher. In leading Commercial Banks, Commerzbank rose DM2.50 to DM205.50 and Dresdner Bank DM5 to DM237, while Deutsche Bank declined DM0.30 to DM316.50.

In mixed Electricals, Siemens rose DM0.90 to DM267.60, while AEG closed unchanged at DM72.50. Chemicals closed mixed, while Hoechst declined DM0.70 to DM127.30, BASF and Bayer closed unchanged at DM138.50 and DM114 respectively. Metals were mixed.

SWITZERLAND—Edged lower in moderately active trading, influenced by Wall Street.

Presse-Finanz fell by almost 20 per cent. on sustained rumours of a possible dividend cut for the current fiscal year.

Leading Banks weakened, led by Bankgesellschaft. Zurich Bearer and Winterthur fell among Insurances.

In the Foreign sector dollar stocks retreated over a broad front. Dutch and Germans also lost ground.

COPENHAGEN — Narrowly mixed in moderate dealings. Banks and Communications were unchanged, Industrials rose slightly.

OSLO—Banks were quiet and Industrials, Insurances and Shipping slightly steadier.

VIENNA—The market firmed.

MILAN—Closed irregularly higher on reduced selling pressure. Fiat, Montedison, both Olivettis, Pirelli SPA and Snia Viscosa ended firmer, while IFI Privileged, Pirelli EC and Mira Lanza lost ground.

Bonds were quietly resistant.

HONG KONG—Drifted lower in dull trading.

Among leading issues, Jardine Matheson dropped 50 cents to $HK22.60, Hong Kong and Shanghai Bank 20 cents to $HK15.90 and Hutchison 2½ cents to $HK 2.05.

TOKYO — Drifted lower on liquidation which centred on blue chips and was influenced by the continued decline on Wall Street. Higher-priced light electricals such as Sony and Pioneer moved lower as did Pharmaceuticals, Motors and issues related to the Government's fiscal loan and investment programme.

Recently-firm speculative shares also turned down. Retail stores ran into active selling reflecting the lack of any recovery in personal spending.

JOHANNESBURG—Gold shares were quietly lower with the restoration of the South Atlantic Cable not having as much effect on trading as expected. Mining Financials were also weaker.

A little more interest was noted for Platinums and in quiet trading, PP Rust gained 3 cents to 268 cents.

AUSTRALIA—Markets closed generally irregular as initial buying support dwindled towards the close and prices turned lower.

Pan-Continental fell below $A5, dropping 30 cents to $A4.95. Peko-Wallsend, Woodside - Burmah, Utah, Kathleen, Cons. Gold and Oil Search also declined.

BHP, due to report its results for the year ended May 31 shortly, was steady at $A7.06.

CSR lost an early lead and Lend Lease slipped 5 cents lower to $A2.30 bringing its total losses this week to 20 cents.

## OTHER MARKETS

### Canada lower

Canadian Stock Exchanges headed lower in moderate to active mid-day trading.

The Industrial Share Index dropped 0.73 to 190.63, Golds 3.30 to 379.64, Base Metals 1.33 to 79.87, Western Oils 2.00 to 190.58, Utilities 0.43 to 120.79, Banks 3.06 to 272.62 and Papers 0.63 to 114.03.

## Indices

### NEW YORK

#### DOW JONES AVERAGES

| Close | Home Bonds | Transport | Indus. | Util. | Trading volume† 000's |
|---|---|---|---|---|---|
| July 23 | 68.97 | 162.69 | 836.67 | 81.13 | 20,150 |
| 22 | 68.98 | 167.12 | 846.76 | 82.37 | 20,660 |
| 21 | 68.81 | 170.15 | 845.74 | 83.14 | 16,690 |
| 18 | 68.83 | 170.80 | 862.41 | 83.30 | 16,670 |
| 17 | 68.88 | 172.16 | 864.28 | 83.65 | 21,420 |
| 16 | 68.93 | 172.61 | 872.11 | 83.31 | 25,250 |
| 15 | 68.91 | 173.88 | 881.81 | 84.74 | 28,340 |
| 14 | 68.80 | 172.89 | 876.86 | 84.71 | 21,900 |
| 11 | 68.79 | 172.89 | 871.09 | 84.48 | 22,210 |
| 10 | 68.93 | 172.48 | 871.37 | 84.20 | 28,880 |
| 9 | 68.85 | 172.03 | 871.37 | 83.81 | 26,350 |
| 8 | 68.85 | 169.86 | 857.79 | 83.24 | 18,590 |
| 7 | 68.89 | 169.21 | 861.08 | 83.59 | 15,850 |
| 3 | 68.89 | 169.78 | 871.79 | 84.45 | 19,000 |
| 2 | 68.96 | 170.07 | 870.38 | 84.74 | 18,530 |
| 1 | 69.28 | 171.71 | 877.42 | 86.44 | 20,380 |
| June 30 | 69.32 | 171.15 | 878.99 | 85.99 | 19,430 |
| 1975 High | 68.92 (4/4) | 174.12 (6/5) | 881.81 (15/7) | 87.07 (24/6) | — |
| Low | 66.16 (3/1) | 146.47 (2/1) | 632.04 (2/1) | 72.02 (3/1) | — |
| All-time High | — | 279.88 (7/2/69) | 1051.70 (11/1/73) | 163.32 (20/4/65) | — |
| Low | — | 13.23 (8/7/32) | 41.22 (8/7/32) | 10.58 (28/4/42) | — |

† Excluding bonds.

#### IND. DIVIDEND YIELD p.c.

| July 16 | July 11 | July 19, 1974 |
|---|---|---|
| 4.48 | 4.44 | 4.68 |

#### N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

| 1975 High | 1975 Low | J'ly 23 | J'ly 22 | July 21 | July 18 | July 17 |
|---|---|---|---|---|---|---|
| 51.24 (15/7) | 37.06 (2/1) | 48.40 | 49.12 | 49.68 | 50.67 | 50.24 |

#### RISES AND FALLS

| Issues traded | Up | Down | Unchanged |
|---|---|---|---|
| 1,837 | 275 | 1,229 | 333 |

| | J'ly 23 | J'ly 22 | July 21 | July 18 | J'ly 17 |
|---|---|---|---|---|---|
| New Highs | 28 | 22 | 74 | 49 | 62 |
| " Lows | 6 | 9 | 4 | 2 | 2 |

#### AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

| 1975 High | 1975 Low | J'ly 23 | J'ly 22 | July 21 | J'ly 18 | J'ly 17 |
|---|---|---|---|---|---|---|
| 96.80 (15/7) | 62.20 (2/1) | 92.41 | 93.95 | 95.34 | 95.87 | 95.70 |
| Volume (000's) | | 2,550 | 2,500 | 2,590 | 2,420 | 2,690 |

#### U.S. STOCK INDICES
#### STANDARD AND POORS

| | *Industrials | †Composite |
|---|---|---|
| July 23 | 101.18 | 90.18 |
| 22 | 102.61 | 91.45 |
| 21 | 103.69 | 92.44 |
| 18 | 104.59 | 93.20 |
| 17 | 105.09 | 93.63 |
| 16 | 106.25 | 94.61 |
| 15 | 107.40 | 95.61 |
| 14 | 106.92 | 95.19 |
| 1975 High | 107.40 (15/7) | 95.61 (15/7) |
| 1975 Low | 77.71 (8/1) | 70.74 (8/1) |

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

#### STOCK AND BOND YIELDS

| | July 16 1975 | July 9 1975 | July 18 1974 |
|---|---|---|---|
| Ind. Ord. yield pc | 3.60 | 3.59 | 4.00 |
| Ind. Ord. p/e ratio | 11.57 | 11.62 | 10.39 |
| Long-term Govt. Bds. per cent. | 5.73 | 5.77 | 6.75 |

#### WEDNESDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Fed. Nat. Mtg. | 323,800 | 15 | −⅛ |
| Nat. Semiconductor | 259,100 | 39½ | −3⅜ |
| Weyerhaeuser | 267,400 | 37⅞ | — |
| Xerox | 249,400 | 60½ | −3½ |
| Apco Oil | 237,800 | 22 | +⅛ |
| Sony Corpn. | 223,400 | 11⅜ | −¼ |
| Polaroid | 224,500 | 41½ | −1½ |
| Occidental Pet | 178,600 | 19½ | −1 |
| Gen. Tel. Tel. | 176,800 | 23¼ | −⅛ |
| Searle GD. | 175,300 | 16⅛ | — |

#### TORONTO
##### INDUSTRIAL INDEX

| July 23 | July 22 | 1975 High | 1975 Low |
|---|---|---|---|
| 191.36 | 193.20 | 196.30 (15/7) | 159.41 (2/1) |

#### MONTREAL
##### INDUSTRIAL INDEX

| July 23 | July 22 | 1975 High | 1975 Low |
|---|---|---|---|
| 200.14 | 201.74 | 205.63 (15/7) | 159.95 (2/1) |

##### COMBINED INDEX

| July 23 | July 22 | 1975 High | 1975 Low |
|---|---|---|---|
| 193.93 | 195.48 | 198.90 (15/7) | 158.03 (2/1) |

#### JOHANNESBURG

| | July 23 | July 22 | 1975 High | 1975 Low |
|---|---|---|---|---|
| Industrials | 232.6 | 234.3 | 236.9 (16/7) | 183.2 (23/1) |
| Golds | 297.1 | 298.1 | 379.1 (2/1) | 285.2 (15/4) |

1958=100. Source: Rand Daily Mail. * 1974.

#### MELBOURNE YIELDS

| Av'ge yield on 50 Leading Stocks | July 23 | July 22 | July 10 |
|---|---|---|---|
| On Dividends | 7.38 | 7.38 | 7.20 |
| On Earnings | 14.08 | 14.08 | 13.80 |

#### SYDNEY ALL ORD. INDEX

| July 24 | July 23 | High 1975 | Low 1975 |
|---|---|---|---|
| 363.28 | 364.39 | 385.55 (4/6) | 289.88 (9/1) |

#### TOKYO NEW SE INDEX

Base=100 January 4, 1968.

| July 24 | July 23 | High 1975 | Low 1975 |
|---|---|---|---|
| 316.27 | 318.22 | 333.11 (2/7) | 268.24 (10/1) |

#### HONG KONG INDEX ⊕

| July 24 | July 23 | High 1975 | Low 1975 |
|---|---|---|---|
| 319.10 | 323.42 | 341.57 (9/6) | 160.42 (9/1) |

#### SINGAPORE INDEX §

| July 24 | July 23 | High 1975 | Low 1975 |
|---|---|---|---|
| 225.06 | 225.29 | 268.69 (11/3) | 153.26 (8/1) |

#### EUROPE

| | July 24 | Previous | 1975 High | 1975 Low |
|---|---|---|---|---|
| Belg'm (a) | 106.78 | 107.11 | 111.81 (15/5) | 89.07 (2/1) |
| Denm'k (b) | 90.16 | 90.19 | 92.80 (13/6) | 73.06 (13/1) |
| France (d) | 65.0 | 65.5 | 72.6 (23/4) | 51.70 (2/1) |
| Germ'y (e) | 686.2 | 690.1 | 726.1 (15/4) | 573.6 (2/1) |
| Holland (f) | 99.9 | 101.1 | 107.6 (6/5) | 85.8 (2/1) |
| Italy (g) | 83.43 | 82.94 | 108.86 (21/2) | 61.57 (21/7) |
| Spain (h) | (u) | 96.83 | 110.96 (22/4) | 95.50 (4/7) |
| Sweden (k) | 381.42 | 381.17 | 387.05 (17/7) | 310.56 (9/1) |
| Switz'rl'd (m) | 267.0 | 268.6 | 285.1 (6/5) | 206.3 (2/1) |

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan 1972. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

# Pound steady

Sterling remained steady for the most part in the foreign exchange market yesterday, against the background of a possible rise in the Bank of England Minimum Lending Rate to-day, from the present 10 per cent. Publication of the U.K. unemployment figures, which showed an increase during July, was followed by an easing against the U.S. dollar at noon, but by the close the pound was firmer against major currencies in general.

The dollar began well in terms of most currencies, and improved until the middle of the afternoon, when the statement by the U.S. Federal Reserve Board chairman that U.S. interest rates will not continue to rise at their present rate, caused the U.S. unit to close below its best levels.

The pound opened at $2.1795-2.1805 against the dollar and after trading at $2.1785-2.1795 for the most part, touched a low point of $2.1750-2.1760 during the afternoon, but improved by the close to $2.1795-2.1805, a gain of 5 points on the day.

Sterling's trade-weighted average depreciation against 10 major currencies since the Washington Currency Agreement (as calculated by the Bank of England) narrowed to 25.8 per cent., compared with the previous 25.9 per cent., and having stood at 25.9 per cent. at noon and in early dealings. The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement was unchanged at 3.52 per cent. The pound's depreciation on a similar basis narrowed to 31.14 per cent. from 31.16 per cent.

Trading in gold began quietly yesterday but reached a higher level during the afternoon. The metal closed at $164¾-165¾, a gain of 95 cents on the day, after opening at $164-165. The krugerrand for domestic delivery closed unchanged at $173½-175½.

#### EXCHANGE CROSS-RATES

| July 24 | Frankfurt | New York | Paris | Brussels | London | A'sterdam | Zurich |
|---|---|---|---|---|---|---|---|
| Frankf't | — | 2.5370-85 | 58 43 52 | 6.73-74 | 5.61-53 | 96.69-81 | 94.67 79 |
| N. York* | 39.56-61 | — | 23.09-12 | 2.615-620 | 2.1790-1800 | 38.47-50 | 37.37-40 |
| Paris | 171.125-.525 | 4.3267-3367 | — | 11.5140-3360 | 9.4315-560 | 165 92 .22 | 161.715.115 |
| Brussels | 14.73-84 | 37.62-67 | 8.66-70 | — | 81 89-.08 | 14.37 42 | 14.03 09 |
| London | 5.52½-53½ | 2.1750 1805 | 9.42 43 | 82.00-20 | — | 5.69½-70½ | 5.82 83 |
| Am'erdam | 103 15-20 | 2.60675 925 | 60 175 225 | 6.9415-65 | 5.6825-75 | — | 97 58 67 |
| Zurich | 105.44-57 | 2.674-6 | 61.75-80 | 7.11-12 | 5.8250-315 | 102.25-8 | — |

U.S. $ in Montreal. U.S. $=103.20-103.22 Canadian cents.
Canadian $ in New York. $C1=97.02-97.04 U.S. cents. U.S. $ in Milan 658.86.
Sterling in Milan 1436.00. *Rates for July 23.

#### EURO-CURRENCY INTEREST RATES*

| July 24 1975 | Sterling | U.S. Dollar | Canadian Dollar | Dutch guilder | W.German mark | Swiss franc |
|---|---|---|---|---|---|---|
| †Short term | 8½-10½ | 5⅞-5⅞ | 5-6 | 7⅛-11⅛ | 3¾-4 | 3¼-4¼ |
| 7 days notice | 9½-10½ | 6 6⅛ | 6¼-6¼ | 7⅛-11⅛ | 3¾ 4 | 10-11 |
| Month | 10⅜-10¾ | 6¼-6¾ | 6⅞-7⅜ | 2¾-3 | 4⅛-4⅜ | 4⅝ 4⅞ |
| Three month | 11⅛-11½ | 7-7⅛ | 7⅝-7⅞ | 3¾-4 | 4¼-4⅜ | 4⅝-4⅞ |
| Six months | 12¼ 12⅝ | 8-6⅛ | 8⅛ 8⅛ | 5½-5¾ | 5-5⅛ | 5¾-6 |
| One Year | 12⅝-13 | 8¼-8¾ | 8⅝ 8⅛ | 6½-6¾ | 5⅞-6 | 6⅛-6⅝ |

Euro-French deposit rate short-term 7½-7¾ per cent.; seven days' notice 7½-7¾ per cent.; one-month 11-11½ per cent.; three months 12½-12½ per cent.; six months 11½-12 per cent.; one year 11½-12 per cent.

Longer-term Eurodollar deposits: two years 8⅝-8¾ per cent.; three years 9-9½ per cent.; four years 9¼-9¾ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposits: one month 6 11/16-6¾ per cent.; three months 7⅛-7 per cent.; six months 8 1/16-7 15/16 per cent., one year 8 5/16-8 1/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

#### GOLD MARKET

[illegible]

#### FOREIGN EXCHANGES

[illegible]

#### OTHER MARKETS

[illegible]

#### FORWARD RATES

[illegible]

## OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—86½% (85½%)

### NEW YORK

| Stock | July 23 | July 22 |
|---|---|---|
| Addressograph | 7⅝ | 7⅞ |
| Aetna Life & Cas. | 25⅛ | 25⅞ |
| Air Products | 69¼ | 70½ |
| Airco | 20⅝ | 21 |
| Corning Glass | 48⅝ | 51⅝ |
| CPC Int'nation'l. | 47½ | 47⅝ |
| Crane | 47¼ | 47⅝ |
| Crocker Nat.C.P. | 22⅝ | 22⅞ |
| Crown Zellerbach | 38⅛ | 37⅞ |
| Cummins Engine | 21⅜ | 21¼ |
| Johns Manville | 23 | 24 |
| Johnson Johnson | 90⅛ | 90¼ |
| Johnson Control | 14⅝ | 14⅞ |
| Joy Manufactur'g | 80 | 81½ |
| Kaiser Alumin'm. | 32¼ | 32⅛ |
| Kaiser Industries | 9⅝ | 10½ |
| Rapid American | 5¾ | 5¾ |
| Raytheon | 51½ | 54½ |
| RCA | 18¼ | 19⅜ |
| Reading | 2⅛ | 2¼ |
| Republic Steel | 30¾ | 31 |
| Revlon | 73½ | 73¼ |

[illegible]

### CANADA

[illegible]

### GERMANY ♦

| July 24 | Prices Dm. | + or — | Div. % | Yld. % |
|---|---|---|---|---|
| A.E.G. | 72.7 | +0.2 | — | — |
| Allianz Versich. | 480 | −2 | ‡17 | 2.0 |
| B.M.W. | 225 | −2 | 14 | 3.3 |
| BASF | 138.5 | ...... | 17 | 6.2 |
| Bayer | 114 | ...... | 17 | 7.2 |
| Bayer Hypo | 312 | −2 | 18 | 3.1 |
| Bayer Vereinsbk. | 341.5 | +4.5 | 18 | 2.6 |
| Commerzbank | 205.5 | +2.5 | 17 | 4.1 |
| Conti. Gummi | 75.1 | ...... | — | — |

[illegible]

### AMSTERDAM

| July 24 | Price Fls. | + or — | Div. % | Yld. % |
|---|---|---|---|---|
| Ahold (Fl.20) | 100 | −3.2 | 18 | 3.6 |
| Akzo (Fl.20) | 40.5 | ...... | 20 | 9.9 |
| Algem Bnk (Fl.100) | 332 | −7 | 20 | 6.7 |
| AMAS NV (Fl.10) | 13 | +0.8 | 10 | 7.7 |
| AMEV (Fl.20) | 57.2 | −0.6 | 30 | 10.5 |
| Amro Bank (Fl.20) | 74.2 | −0.6 | 20 | 5.4 |
| VanBer kels (Fl.50) | 117.5 | +1.5 | 15 | 6.4 |
| Bijenkorf (Fl.20) | 79 | −1.2 | 21 | 5.3 |
| Boka Westm. Fl.10 | 115 | −1.4 | 52 | 4.5 |

[illegible]

### AUSTRALIA

| July 24 | Aust. $ | + or — |
|---|---|---|
| Acrow Australia | †0.55 | ...... |
| Adelaide Brig'ton Cem't 50c | †0.90 | +0.03 |
| Allied Mnfg. Trdg. Indus $1 | †1.67 | ...... |
| Ampol Exploration | †0.55 | ...... |
| Ampol Petroleum | †0.44 | +0.01 |
| Assoc. Minerals | †2.40 | −0.05 |
| Assoc. Pulp Paper $1 | †0.75 | −0.05 |
| Aust. Con Industries | †1.50 | ...... |
| Aust. Foundation Invest. | †0.76 | +0.02 |

[illegible]

### VIENNA

[illegible]

### JOHANNESBURG

[illegible]

### PARIS

[illegible]

### TOKYO ¶

[illegible]

Source Nikko Securities Tokyo

### BRUSSELS

[illegible]

### STOCKHOLM

[illegible]

### MILAN

[illegible]

### OSLO ◆

[illegible]

### SWITZERLAND ◆

[illegible]

### SPAIN ♥

[illegible]

### COPENHAGEN

[illegible]

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. [illegible]

هكذا من الأصل

هكذا من الأوحال



# FARMING AND RAW MATERIALS

## Bacon to cost more

By Richard Mooney

BACON WILL be dearer in the shops next week following a £25 a ton rise in first hand prices—the first change for nine weeks. The Danish price goes up to a record £845 a ton while British, Irish and Ulster bacon all rise to £840 a ton. Though the increase averages at 1.1p a pound, nearly all of the extra price is expected to be concentrated on the middle cuts, which may rise by 2p a pound in the shops.

Danish producers are believed to have been pressing for a higher price for some time especially as hopes of increased sales have not materialised. The timing of the move may have been influenced by a desire to wait for a decision on the devaluation of the green pound. One trader said yesterday that he thought a further rise might be necessary soon to take account of "green pound" adjustment, which is estimated to have cut the bacon monetary compensatory amount by about £34 a ton.

The price increase comes despite the failure of the U.K. bacon market to display its usual holiday season buoyancy as the "bed and breakfast" trade gets under way.

Demand for eggs continues firm and standard grade will cost 2p a dozen more next week. Other grades remain unchanged, however.

## Winter beef target prices fixed

By Peter Bullen

BEEF PRODUCERS can look to the future with confidence, Mr. Fred Peart, the Minister of Agriculture, said in a written reply to a Commons question yesterday.

He was announcing the monthly target prices under the beef premium scheme which, he claimed, would considerably benefit those producers who were able to delay marketing their cattle until the spring.

The target prices have been drawn up to encourage farmers to hold on to their cattle until next year by pitching this autumn's prices at low levels and gradually increasing them through the winter. From September 29, the price will be £21.90 a live cwt; from November 3 £22.40; December 1 £23.50; January 5 £24.60, and February 2 to 29 £25.75.

"The seasonal scale of target prices will continue to increase next year until the normal peak in May. In addition, assuming that the present beef arrangements continue, there will be a further increase in our intervention price of at least £1

# New threat to Britain's sugar supplies

BY OUR OWN CORRESPONDENT GEORGETOWN, Guyana, July 24.

UNITED ACTION against Britain may be taken by African, Caribbean and Pacific sugar producing countries if the U.K. Government tries to limit sugar imports this year.

If the British Government's ruling on imports under the EEC's Lomé Convention goes against the ACP interpretation, there is hardly any doubt here that it would be resisted by block action by the ACP group.

This interpretation is that ACP producers are free to ship any amount of sugar into Britain at the guaranteed price of £260 per ton up to December. It is based on the British Government's letter to each country on March 14 this year, in which, it is reported, no limitation is placed on quantities up to the end of the year at the British guaranteed price.

Official and industry sources here remain unperturbed over Tate and Lyle's suspension of imports pending a ruling by the British Government on import quantities.

Guyana currently has no sugar to sell, the country having met its quota of 31,500 tons for the first half of 1975 by the June 30 deadline from the spring crop. The autumn crop is now starting, but no sugar will be available for another two weeks.

There is no doubt, however, that Guyana will meet its full quota of 167,000 tons under the Lomé Convention, including a shipment of 20,000 tons to be made in August under an unofficial understanding that Britain will receive priority early in the autumn.

### Carribean

Other Caribbean exporters are known to have sugar on hand for export and the suspension will obviously affect them. No joint action is planned, however, because the Governments have not been officially informed by Britain of any new interpretation of the British guarantee.

The Caribbean countries have already sent sharply worded notes to Britain on their views following their meeting in Barbados last Saturday. They have also written to other ACP states and the president and secretary-general of the ACP group on the matter. Observers here are pretty certain that the group will be urgently convened if this becomes necessary.

Our Commodities Staff writes: In London, the sugar trade is still waiting to hear what decision the Government has taken on the question of sugar imports from ACP countries.

The Ministry of Agriculture has firmly denied any intention by the U.K. of reneging on its agreement to import up to 1.4m. tons of ACP sugar this year for a price of £260 a ton. However, it obviously wishes to limit paying the guaranteed price — currently about £65 above present world market levels — to the minimum consistent with the agreement.

Until they hear the Government's plans for ensuring that individual countries keep to their quotas, U.K. importers have suspended shipments from most ACP countries.

With continuing interest being shown by U.S. refiners in purchases on the world sugar market, prices firmed yesterday. The London daily price was fixed £5 higher, at £195 a ton, and October sugar on the London terminal market closed £3.75 up at £186.75 a ton.

# EEC access plan for NZ butter

BY REGINALD DALE, COMMON MARKET CORRESPONDENT BRUSSELS, July 24.

THE EEC Commission to-day announced proposals aimed at ensuring continuing access for New Zealand butter to the U.K. market after present arrangements expire at the end of 1974. The recommendations were drawn up in the light of the renegotiated terms of British EEC membership, finalised at the Dublin summit conference in March.

The Commission is proposing quotas for the three years 1978-80, which it clearly regards as generous to the New Zealanders, and has also suggested a further review of the arrangement's future in 1978. This is likely to be welcomed in Wellington as the first official hint that the arrangement could continue into the next decade—the Dublin formula spoke only of the "period up to 1980."

The Commission, however, has not made any recommendation yet on prices, which are just as important to the New Zealanders as quantity. A spokesman to-day said price proposals would be made in time for the Council of Ministers to discuss the package as a whole in the autumn.

For the time being, the Commission has limited itself to repeating the text agreed in Dublin, which said prices would be adjusted "having regard to the supply and demand developments in the major producing and consuming countries of the world, and also to the level and evolution of prices in the Community—including intervention prices—and in New Zealand, taking moreover into account cost developments in New Zealand and trends in freight charges."

The precise quantities proposed are 129,000 tonnes for 1978, 121,000 tonnes the year after, and 113,000 tonnes in 1980. These figures compare with the 117,400 tonnes shipped in 1974, and an estimate of 125,000 tonnes for this year, which the Dublin summit agreed should be used as reference figures for the new arrangement.

New Zealand has, in fact, fallen short of the quotas it could have shipped to Britain under the original entry terms, which set a maximum of 159,000 tonnes at the special reduced levy for 1974, and 152,000 tonnes for 1975.

The Commission has also closely followed the terms of the Dublin agreement by making no proposals for continuing cheese shipments after 1977. It simply repeats the undertaking that "due attention with appropriate urgency" will be given to any problems that may arise in the cheese sector.

Mr. Harold Wilson, the Prime Minister, fought hard in Dublin for continuing access for New Zealand cheese. But the original entry terms specifically laid down that special arrangement for cheese must come to an end after 1977.

### ROMANIA BOOSTS GRAIN TARGETS

VIENNA, July 24.

Romania has increased its grain production targets for 1976-79 to 21m. tonnes a year, from 18m. to 20m., after the third successive year of heavy harvest losses due to floods, according to Bucharest newspaper reports.

It hopes to produce 23m. tonnes a year by 1980.

Reuter

## Coffee crop forecast in Brazil falls

By Our Commodities Staff

NEXT YEAR'S Brazilian coffee crop may be below 11m. bags (60 kilos each), against an expected 25m., as a result of the recent frost, say trade sources in Rio de Janiero.

Parana—Brazil's main coffee growing region which usually produces over 10m. bags—is not expected to produce more than 500,000 bags in 1976/77, while Sao Paulo's forecast output for 1975/76 has been cut from 9m. to 5m. bags. The Minas Gerais output is now put at 4m. bags. and Espirito Santo's at 1m.

The only areas reported to have escaped the frost were Lower Araraquarense, Upper and Lower Moilana, some parts of southern Minas Gerais and the smaller producing states or Rio de Janeiro and Espirito Santo.

The sources confirmed that the size of this year's crop, estimated at 20m. bags, would not be affected. The Brazilian Coffee Institute's stocks are estimated at 15m. bags while about 7m. bags are in the hands of growers, processors and exporters so total availability this year should be around 42m. bags, they said.

In London, meanwhile, coffee future prices lost most of Wednesday's gains. The September price finished £37.75 lower, at £719.25 a tonne.

## Rubber talks likely in mid-August

KUALA LUMPUR, July 24.

THE ASSOCIATION of Natural Rubber Producing Countries (ANRPC) will probably hold its next expert meeting on rubber price stabilisation in mid-August, a month later than originally planned.

Informed sources said the ANRPC had provisionally arranged to hold the meeting between August 12 and 15.

The experts' first meeting in June failed to produce a draft agreement and their second meeting, set for mid-July, was postponed to give member countries more time to come to grips with the scheme—which includes a proposal for a jointly financed 100,000 tonnes stockpile.

● Japan's natural rubber imports in the first half of 1975 rose to 151,114 tonnes, from 140,404 in the corresponding period last year, customs clearance statistics show. The half-year total included 115,080 tonnes from Thailand, 16,672 from Malaysia and 13,074 from Indonesia.

Reuter

FODDER SHORTAGE

# The straw is not for burning

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I FIRST used a combine harvester in 1940 and since hat date have burnt some, or all, of the straw remaining after the grain has been removed.

This has had several advantages. It was cheap, and during the years when there was no demand for it, this was the obvious way of getting rid of the straw and trash left by the combine as well as a good many of the weed seeds. If there was a good burn the annual grass weeds had a severe set-back, which helped to start the killing job which the cultivators finished.

Straw burning was criticised by some traditional farmers as being against the rules of good husbandry. While landlords could not actually condemn it as being against the terms of a tenancy agreement, they could let their displeasure be known in no uncertain terms, especially as it did no good to game preservation.

The general non-farming public disapproved of it more and more on what might be called ignorantly-based ecological grounds, and legislation is certain one day to make the practice either illegal or only to be performed under stringent control.

### Advertised

This year none of the objectors need worry. Such is the demand for it that little, if any, straw will be burnt within reasonable transport distance of the livestock areas in the south and west of the U.K. To give an example, last year I advertised about 600 acres of straw for sale in a West of England paper—the buyer to bale and cart away the straw himself.

I had one reply from a man not far away, sold him what he wanted and burned or ploughed in the rest. Then some weeks after it was too late, other individuals who had noted the advertisement also telephoned me.

This year things are very different. In the last week I have sold all the straw I will have available. The price is too little according to my neighbours, but it will pay me and I hope not bankrupt the ultimate purchaser.

My terms are hard. Cash on the barrel ten days before I start harvest and, if it is not forthcoming, the next man on the waiting list has the offer.

It is essential in this business to exact prior payment; straw once baled is vulnerable to rain, and there is nothing worse than to be left with thousands of bales of wet barley straw in which the buyer has lost interest. Paying the money first retains that interest.

The good price I am getting for the straw is not all profit. Because I am not getting the benefit of a good, clean burn, I shall either have to use a spray for weed destruction or give the land extra cultivations.

It is also possible that the stubble, which remains after the straw is picked up, will not break down readily in the soil, and may in fact reduce the yield of the following crop. I have always thought that to plough in straw without breaking it down into manure is an expensive waste of time.

The reason for the astonishing demand for straw is quite simply the desperate straits to which drought and overstocking have brought many livestock farmers. This summer's drought, which has halved many hay and silage crops and made straw yields much lighter than usual, has been the immediate cause of the position. But the underlying fact of overstocking has not really penetrated the industry's consciousness.

The facts have been obvious for some time, with between 2m. and 3m. more cattle and a reduced grassland acreage on which to feed them in Britain. Things were bad enough last winter, but they could be a great deal worse in the next because all fodder reserves have been exhausted and this year's crops are about 60 per cent. of normal.

### All the luck

Farmers should not be blamed too harshly for getting into this position. For years they have had held up to them the example of those who carry a cow to less than three-quarters of an acre, instead of the traditional two acres and so on. Stocking rates of this sort are only successful if the farmer has all the luck and skill in the world It is a system that easily comes unstuck at the first breath of climatic or economic stress.

I think that barley straw at £40 per ton, the quoted price in many West country areas, and hay at nearly twice that price, is far more expensive than its feed value warrants. It might just pay to feed it to dairy cattle in limited amounts at these prices, but certainly not to young animals or beef cattle.

It is still possible to buy barley, oats and wheat at under £60 per ton delivered, which has two or three times the feed value of hay and straw. Some fibrous feed should be given, but there is no clear guidance as to how much, and I certainly cannot understand this overwhelming demand for straw in these circumstances.

It is possible that the desperate fodder position of many livestock farmers has caused them to "lose their cool," to the point of panicking and so they are failing to perceive the correct solution. Meanwhile, I shall leave my matches in the kitchen this year at least.

# USSR buys another 1m. tonnes of wheat

BY OUR COMMODITIES STAFF

ANOTHER GRAIN order by the Soviet Union was announced yesterday. The Canadian Wheat Board said it had sold 1m. tons of durum wheat to the USSR, in addition to the 2m. tonnes of hard wheat announced last week.

The latest sale brings Russia's total known purchases of wheat and feed grains to 13.6m. tonnes this month. Further purchases are expected, following forecasts of a smaller than expected harvest owing to drought in major grain growing areas of the USSR.

Meanwhile, North American grain companies yesterday prepared to ship nearly 10m. tonnes of grain to the Soviet Union through west coast ports, reports Reuter from Chicago. This follows a threat by east coast dockers not to load the grain if its sale to the USSR meant higher bread prices in the U.S.

Officials of the companies indicated that they would load the grain in Oregon and British Columbia if the east coast ban was implemented.

# COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER—Marginally higher on balance on the London Metal Exchange. A modestly lower U.S. market overnight coupled with the opening firmness of sterling took prices a shade easier in early trading with the contango widening to £20 at one time in anticipation of higher interest rates. Prices subsequently rallied owing to speculative buying and short-covering with forward metal ending at £585 on the afternoon Kerb after moving between £586.5 and £58 all day. Turnover 13,400 tonnes.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars | | | | |
| Cash | 562-.5 | —2 | 566-.5 | +1.25 |
| 3 months | 582-3 | —.75 | 586-.5 | +2 |
| Settlem'nt | 562.5 | —2 | — | ...... |
| Cathodes | | | | |
| Cash | 549.5-50.5 | —1.75 | 553-.5 | +.5 |
| 3 months | 570-.5 | ...... | 575-.5 | +1.5 |
| Settlem'nt | 550.5 | —1 | — | ...... |
| U.S. Smt. | — | ...... | *60-63.7 | ...... |

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £562.5, 62, mid-Aug. £568, three months £583, 82, 83, 84, 84.5, 84, 83, 82.5. Cathodes: cash £550, three months £570.5, 70. Kerbs: Bars: cash £562.5, three months £583, 84. Cathodes: cash £550. Afternoon: Wirebars: cash £566, 66.5, 66, three months £585, 86, 86.5, 86. Kerbs: Bars: three months £588, 88.5, 85.

TIN—Rallied. After a very quiet morning's Ring trading prices came to life on the Kerb when heavy influential buying of cash metal from one quarter narrowed the contango to £7 at one time and pushed prices higher. Cash metal traded up to £3,107 before ending at £3,104, with the buying thought to have reflected covering or pricing considerations. Turnover 1,030 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or †— |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 3105-7 | +28 | 3102-4 | +15.5 |
| 3 months | 3115-20 | +19.5 | 3112-4 | +4.5 |
| S'ment | 3107 | +28 | — | ...... |
| Standard | | | | |
| Cash | 3105-7 | +28 | 3102-4 | +15.5 |
| 3 months | 3115-20 | +19.5 | 3112-4 | +4.5 |
| S'ment | 3107 | +28 | — | ...... |
| Straits E. | ‡5971 | —5 | — | ...... |
| New York | — | ...... | *344.5 | ...... |

Morning: Standard: cash £3,085, 80 to 3,105, three months £3,109, 05. High Grade untraded. Kerbs: Standard: cash £3,105, 07, late-Oct. £3,115, three months £3,115, 12. Afternoon: Standard: cash £3,103, three months £3,112, 11, 10, 13. High Grade untraded. Kerb: Standard: three months £3,113, 15.

LEAD—Easier, reflecting the earlier tone of copper with interest rate considerations widening the contango to around £7. Turnover 3,675 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 165.5-6 | —.25 | 167-.5 | —1.75 |
| 3 months | 174-.5 | +1 | 174.5-5 | —1 |
| S'ment | 166 | —.5 | — | ...... |
| N.Y. Spot | — | ...... | 19-22½ | ...... |

Morning: cash £165.5, three months £175.5. Kerb: three months £174.5. Afternoon: three months £175, 74, 75.

ZINC—Irregular. Short-covering pushed forward metal higher while cash metal turned easier on interest rate considerations but was supported at the lower level by influential buying thought to have been on producer account. Turnover 1,750 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | |
| Cash | 320-.25 | —.125 | 319.5-20 | —1.5 |
| 3 months | 328-.5 | +2 | 328-.5 | +1 |
| S'ment | 320.25 | —.25 | — | ...... |
| Prm. West | — | ...... | *38½-9 | ...... |

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: cash £320, three months £325.5, 29. Kerb: cash £320, three months £328, 28.5. Afternoon: three months £328.5, 28. Kerb: three months £328.5.

## SILVER

Silver was fixed 1½p an ounce higher for spot delivery in the London bullion market yesterday, at 215.5p. U.S. cent equivalents of the fixing levels were: spot 469.5c (465.7c), three-month 478.6c (474.5c), six-month 488.1c (484.6c), and 12-month 508.1c (505.4c). The market began quietly at an opening level of 215.8-216.8p (470½-473c), but the metal became firmer during the afternoon and closed at 217.8-218.8p (475-477c).

| SILVER per troy oz. | Bullion fixing prices | + or — | L.M.E. close | + or — |
|---|---|---|---|---|
| Spot | 215.5p | +1.5 | 218.4p | +3.5 |
| 3 months | 221.6p | +1.6 | 224.4p | +3.5 |
| 6 months | 226.1p | +1.5 | — | ...... |
| 7 months | — | ...... | 232.75p | +3.5 |
| 12 months | 242p | +1.6 | — | ...... |

LME—Turnover 184 (178) lots of 10,000 ozs. Morning: Three months 221.7, 22, 21.8, 21.7, 21.8. Kerbs: Cash 215.5; three months 222.1, 22.2, 22.5, 22.7. Afternoon: Three months 224, 24.2, 24.3, 24.5, 24.6, 24.5, 24.4, 24.3, 24.4. Kerbs: Three months 224.5, 24.7, 25, 24.9.

## FREIGHTS

DRY CARGO—N. American grain chartering showed no improvement in volume and rates remain virtually unchanged. Cargoes were covered from Mississippi River to Ghent/Hamburg range at $4.50 f.i.o. for Aug. and from Port Cartier to Constanza at $7 f.i.o. for Aug., also from U.S. Gulf to W. Coast Mexico at $11.25 f.i.o. for July-Aug. A cargo of grain was also booked from U.S. Gulf to Venezuela at $7.75 f.i.o. for Aug.

A cargo of pellets from Port Churchill to Hull or Rotterdam paid $17 f.i.o. for Sept., while a cargo of heavy grain from River Plate to Japan was covered at $17.20 free discharge for Aug.

Other S. American grain shippers fixed a cargo from South Brazil to Spain at $10 f.i.o. for Aug.



## COCOA

After a quiet, barely steady morning, prices moved ahead on short-covering and speculative buying in the late afternoon, reports Gill and Duffus.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| No4Contract | | | |
| July | 628.0-32.5 | +16.25 | 632.5 |
| September | 630.0-31.0 | +14.5 | 632.5-01.0 |
| December | 610.5-11.0 | +10.25 | 614.0-591.0 |
| March | 598.0-600.0 | +8.5 | 603.0-561.0 |
| May | 598.0-99.0 | +10.0 | 598.0-84.0 |
| July | 598.0-96.5 | +9.75 | 599.0-582.0 |
| September | 596.0-98.0 | +7.5 | 598.0 |

Sales: 3,336 (3,960) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 57.27 (59.39) U.S. cents per pound: indicator 15-day average 52.21 (51.50); 22-day average 49.79 (49.16).

## COFFEE

Robusta futures opened higher on good dealer buying interest but later all gains were erased by keen Commission House selling and long liquidation.

Prices moved irregularly during afternoon dealings, long liquidation and local speculative activity providing most of the turnover. At the close prices were £38 to £18 lower.

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| July | 710.0-80.0 | —23.5 | — |
| September | 718.5-20.0 | —37.75 | 755.0-20.0 |
| November | 721.0-72.0 | +2.25 | 760.0-15.0 |
| January | 725.0-26.0 | —20.0 | 768.0-15.0 |
| March | 726.0-30.0 | —20.5 | 765.0-25.0 |
| May | 730.0-32.0 | —18.0 | 764.0-29.0 |
| July | 730.0-37.0 | —19.0 | 762.0-51.0 |

Sales: 1,757 (2,083) lots of 5 tonnes.

Latest published ICO indicator prices. U.S. cents a pound Colombian Mild Arabicas 97.50 (95.00). Other Mild Arabicas 83.00 (84.00). Unwashed Arabicas Santos Fours unavailable (same). Robustas 69.39 (63.38). Daily average unavailable (same).

ARABICA CONTRACT (in order buyer, seller, sales)—Aug. 87.00-87.40, 21; Oct. 87.90-87.10, 15; Dec. 88.00-88.40, 18; Feb. 90.00-90.10, 21; April 91.50-92.50, 1; June 92.80-94.90, nil; Aug. 93.00-95.00, nil. Sales: 78.

## RUBBER

VIRTUALLY UNCHANGED opening on the London physical market. Dullish considerably throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 140 cents a kilo (buyer, August).

| No. R.S.S. | Yesterday's close | Previous day's close | Business done |
|---|---|---|---|
| Aug. | 37.00-38.00 | 38.50-38.00 | 38.50 |
| Sep. | 38.75-37.50 | 38.75-38.50 | — |
| Oct.-Dec. | 38.75-37.50 | 37.00-37.55 | — |
| Jan.-Mr. | 37.55-37.55 | 37.40-37.50 | 37.85-37.40 |
| Ap-Jun. | 37.80-37.90 | 37.80-37.85 | 37.80-37.70 |
| Jy-Sept. | 38.80-38.55 | 38.85-38.70 | 38.50 |
| Oct-Dec | 39.60-39.55 | 39.85-38.70 | 39.55 |
| Jan-Mr. | 40.25-40.35 | 40.25-40.35 | 40.55 |
| Ap-Jun. | 40.60-41.00 | 40.60-41.10 | — |

Sales: 94 (440) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 33.5p (33.0p); August 30.0p (28.75p); Sept. 29.75p (28.85p).

## GRAINS

THE BALTIC—Imported grain prices eased slightly where changed, but buying interest was slow to develop and all sections remained lifeless.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., Oct. £95.20, Nov. £98.20 direct Tilbury. EEC milling Aug. £61, Sept. £62. East Coast.

Maize—No. 3 Yellow American/French Aug. £60.25, Sept. £60.75 transhipment East Coast. South African White Aug.-Sept. £69.50 Glasgow nom. South African Yellow Aug.-Sept. £69.00 Glasgow nom.

Barley—EEC feed Aug. £57.25 East Coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. 58.35, Nov. 60.75, Jan. 63.15, March 65.15, May 67.05. Business: Sept. 58.60-58.25, Nov. 60.90-60.20, Jan. 63.30-62.55, March 65.30-64.65, May 66.85-66.65. Barley, steady. Close: Sept. 56.50, Nov. 58.65, Jan. 60.75, March 62.75, May 64.30. Business: Sept. 56.55-56.25, Nov. 58.85-58.25, Jan. 60.90-60.25, March 62.55-62.40, May 64.70-64.00.

HGCA—Location ex-farm spot prices: Soft milling wheat—Cambridge £58.25. Feeding barley—Wales £53.50.

MARK LANE—The market initially eased under light speculative selling but steadied near the close as buying interest improved at the lower levels. Oct.-Dec. deliveries of Hagberg milling wheat traded to the London area at £64 per long ton and Jan.-June 1976 deliveries to Liverpool at £70, while denaturable wheat made up to £61 for Oct.-Dec. deliveries into East Anglia and £66.50 for April-June. Barley was quiet. Average sellers' quotations per long ton for delivery London area: Wheat, Hagberg, Aug. £59.75, Oct.-Dec. £64; denaturable Sept. £59, Oct.-Dec. £61. Barley, feed, Oct.-Dec. £56 nom.

EEC DAILY IMPORT LEVIES: Premiums effective July 25 (in order current levy plus August, September, October premiums, with previous in brackets). Rates in units of account per tonne: Soft wheat and mixed wheat and rye—34.26 (32.73, rest nil). Hard wheat—24.92, nil, nil, 9.95 (26.45, 2.99, 2.99, 8.42). Rye—46.31, rest nil (46.31, rest nil). Barley—33.20, rest nil (33.97, rest nil). Oats—18.00, rest nil (18.00, rest 2.30). Maize (other than hybrid for seeding)—14.72, 4.59, 4.95, 9.95 (14.72, 4.59, 4.59, 9.59). Buckwheat—11.49, rest nil (11.49, rest nil). Millet—3.99, rest nil (3.99, rest nil). Grain sorgum—30.61, nil, nil 1.53 (31.76, rest 0.38). Levies for flours: Wheat or mixed wheat and rye—67.30 (65.16). Rye—84.19 (84.19).

## SOYABEAN MEAL

| | Yesterd'y Close | + or — | Business Done |
|---|---|---|---|
| | £per tonne | | |
| August | 78.4-79.5 | +0.25 | 79.6 |
| October | 80.1-80.3 | +0.55 | 79.2 |
| December | 80.3-80.4 | +0.2 | 80.5-79.3 |
| February | 81.3-81.4 | +0.25 | 81.5-80.5 |
| April | 82.3-82.6 | +0.2 | — |
| June | 85.3-83.5 | —0.15 | — |
| August | 85.7-84.3 | —0.55 | — |

Sales: 41 (39) lots of 100 tonnes.

## SUGAR

LONDON DAILY PRICES (raw sugar) higher at £195 (£190) a ton, c.i.f. for July/Aug. shipment. White sugar daily price was fixed at £200 (same) a ton.

Initial trades were about unchanged, after which the market moved gradually higher. C. Czarnikow reports. Prices failed to break through at the higher levels which encouraged a good deal of profit-taking, and this took prices back to opening levels. Trading thereafter became erratic, values fluctuating within a £5 range. Arbitrage interest appeared to contribute largely to the afternoon's activity.

| Sugar Pref. Comm. Con. | Yesterday's Close | Previous Day's Close | Business Done |
|---|---|---|---|
| | £ per ton | | |
| Aug. | 191.80-93.55 | 186.50-87.00 | 194.00-87.00 |
| Oct. | 186.50-87.00 | 182.50-83.50 | 188.00-80.00 |
| Dec. | 184.50-85.00 | 180.50-81.00 | 185.50-79.00 |
| March | 183.00-85.50 | 179.50-80.00 | 186.00-79.50 |
| May | 181.00-82.00 | 179.00-80.50 | 184.00-78.50 |
| Aug. | 180.00-81.50 | 175.00-78.00 | 182.50-79.00 |
| Oct. | 181.00-82.00 | 176.00-78.00 | 182.50-80.00 |

Sales: 3,454 (4,456) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £250 (same) a long ton for home trade and £290 (£285) a long ton for export.

## MEAT/VEGETABLES

COVENT GARDEN (prices, in sterling)—Imported produce: Oranges—Brazilian: 2.00-2.30, South African: 2.40-2.80; Californian: 2.60. Grapefruit—South African: 2.80-4.80; Californian: 4.00. Lemons—Italian: 5.20; Californian: 5.50; South African: 4.40-5.00. Apples—South African: Golden Delicious 6.00, Granny Smith 6.00-6.20; New Zealand: Granny Smith 6.20, Sturmer Pippin 5.90, Dougherty 6.00; Tasmanian: Democrats 5.80, Crofton 5.80, Sturmer 5.90; French: Cartons, Golden Delicious 20 lbs 3.10; Western Australian: Granny Smith 5.80. Pears—Italian: Dr. Jules Guyot per pound 0.12-0.13; French: 28 lbs 2.50. Bananas—Windward Islands: per 28 lbs 2.80; Jamaican: 2.60. Apricots—Hungarian: 1.30. Grapes—Cypriot: per 18 lbs Cardinal 2.70, Sultana 3.00-3.30. Peaches—Italian: 18-trays 2.20-2.30. Plums—Spanish: Santa Rosa 1.40-2.00, Gaviota 1.30-1.90; Italian: Burbanks per pound 0.10-0.12. Tomatoes—Guernsey: 1.40; Jersey: 1.40. Courgettes—Jersey: 1.20. Potatoes—Cypriot: 5.30. Onions—Spanish: 3.00-3.40. Melons—Israeli: Yellow 1.60-2.00; Spanish: 2.30-2.50. Water-melons—Italian: 2.00; Spanish: 2.00.

English produce: Lettuce—Per 12 round 0.70, cos 0.80. Cucumbers—Per tray 12 1.00, 14 1.00, 16 0.80, 18 0.80. Potatoes—Per 56 lbs. Cornish/Kent 2.30-2.50. Celery—Per 12 to 24 1.20-1.30. Peas—Per 36 lbs 2.40-2.60. Broad beans—Per 20 lbs 1.00. Mushrooms—Per pound 0.20-0.25. Cabbages—Per bag, Primo 0.70. Marrows—Per 18 1.20. Strawberries—Per ½ lb 0.15-0.22. Raspberries—Per ½ lb 0.10-0.12. Cherries—Per pound Black 0.25-0.30, white 0.15-0.20. Cauliflowers—Per 12 1.40-1.50. Carrots—Per 28 lbs 0.80-1.00. Beetroots—Per 28 lbs 1.00. Courgettes—Per 12 lbs tray 1.00. Tomatoes—Per 12 lbs 1.40.

SMITHFIELD—(Pence per pound)—Beef: Scotch killed sides 28.0 to 32.0. Ulster hindquarters 37.0 to 39.0, forequarters 18.0 to 19.5. Eire hindquarters 37.0 to 39.0, forequarters 17.5 to 18.5.

Veal: English Bobbies 10.0 to 12.0, Scotch Bobbies 9.0 to 12.0. Dutch hinds and ends 54.0 to 57.0, higher quality hinds and ends 58.0.

Lamb: English Smalls 30.0 to 36.0, Medium 30.0 to 34.0, Heavy 29.0 to 32.0. Scotch Medium 29.0 to 31.0, Heavy 27.0 to 29.0. Imported Frozen: NZ D's 29.0 to 30, 2's 29.0 to 30.0, 8's 28.0 to 29.3, YLs 27.0 to 27.5, YMs 29.0 to 28.5.

Ewes: 12.0 to 13.0.

Pork: English, under 100 lbs 28.0 to 32.0, 100-120 lbs 26.0 to 31.5, 120-160 lbs 26.5 to 30.0, 160-180 lbs 25.0 to 27.5, 180 lbs and over 24.0 to 26.0.

MEAT COMMISSION—Average fatstock prices at representative markets on July 24: U.K.—Cattle £18.01 per live cwt. (+0.38); Sheep 32.5p per lb. e.d.c.w. (+1.8); Pigs £4.30 per score liveweight (+0.05). England and Wales—Cattle numbers up 11.9 per cent., average price £18.43 (+0.39); Sheep up 33.9, 32.9p (+1.7); Pigs down 5.6, £4.30 (+0.05). Scotland—Cattle up 11.4, £17.91 (+0.18); Sheep up 90.6, 30.6p (+4.8); Pigs nil.

## WOOL FUTURES

LONDON—Market steady.

(Pence per kilo)

| Australian Greasy wool | Yesterd'ys close | + or — | Business Done |
|---|---|---|---|
| July | 157.0-65.0 | +1.75 | 160.0 |
| October | 162.0-63.0 | — | — |
| December | 166.0-68.0 | — | — |
| March | 172.0-73.0 | — | — |
| May | 173.0-74.5 | —0.75 | — |
| July | 176.0-78.0 | — | — |
| October | 179.0-82.0 | — | — |
| December | 183.0-87.0 | +2.5 | — |

Sales: 13 (10) lots of 1,500 kilos.

SYDNEY GREASY (in order, buyer, seller, business)—Oct. 251.3-251.8, 252.0-251.1; Dec. 256.3-256.5, 258.5-256.0; Mar. 260.4-260.6, 260.5-260.0; May 261.5-261.8, 261.5-261.5; July 263.2-263.3, 263.3-263.0; Oct. 264.5-264.8, 265.0-264.5; Dec. 264.5-265.0, —. Sales 73.

## JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for July-August shipment: BWB £196, BWC £159, BWD £152. Tossa: BTB £196, BTC £191, BTD £154. Calcutta goods steady. Quotations c. and f. U.K. for July shipment: 10-oz. 40-in. £6.61, 7½-oz. £5.14 per 100 yards, August £6.98 and £5.55, September £7.11 and £5.39. "B" twills: £21.21, £21.38 and £21.56 for the respective shipment periods. Yarn and cloth very quiet.

LONDON—Quiet. Bangladesh White "C" grade July-Aug. £193. "D" grade July-Aug. £188. A long ton.

CALCUTTA—Dull. Indian July Rs.465. Dundee Daisee July Rs.420 values. A bale of 400 lbs.

★

GRIMSBY FISH—Supply fair, demand good. (Prices per stone at ship's side unprocessed): Shelf cod £1.80-£2.40, Codlings £1.40-£1.90, Large haddock £2.60-£2.80, medium £2.40-£2.60, small £2.00-£2.20. Large plaice £3.60, medium £3.00-£3.20, small £2.70-£2.90, Skinned dogfish £5.40, medium £4.00, Coalfish 90p-£1.05, Rockfish £1.20-£1.40, Lemon soles £3.60, Reds 80p-£1.10.

★

COPRA—Philippines: July, Aug. and Sept. £235 resellers, per tonne c.i.f. North European ports.

## U.S. ALUMINIUM OUTPUT DOWN

NEW YORK, July 24.

U.S. primary aluminium output fell in June to 301,998 short tons, from May's revised 327,470 tons and 404,935 in June 1974, the Aluminium Association reported.

Reuter

## PRICE CHANGES

Prices per ton unless otherwise stated.

| | July 24 1975 | + or — | Month ago |
|---|---|---|---|
| Metals | | | |
| Aluminium (u) | £396 | ........ | £396 |
| Free Market cif | £510-325 | ........ | £290-305 |
| Copper § | | | |
| Cash Wire Bars (u) | £566.25 | +1.25 | £528.75 |
| 3 month do. do. (u) | £586.25 | +2.0 | £547 |
| Cash Cathode (u) | £554 | +0.5 | £517.5 |
| 3 months do. (u) | £574 | +1.5 | £535 |
| Gold.........Troy oz. | $165.25 | +0.95 | $164½ |
| Lead Cash (u) | £167.25 | +1.75 | £163.75 |
| 3 months (u) | £174.75 | —1.0 | £166.75 |
| Nickel (u) | £1,958 | ........ | £1,817 |
| Free market cif (lb) | $1.75-.90 | ........ | $1.85-2.0 |
| Platinum (bit.tray oz. | £72-76½ | ........ | £68-73.5 |
| Free Market | £75.75 | ........ | £66-25 |
| Quicksilver 76lbs(u) | $110-115 | ........ | $116-120 |
| Silver Troy oz | 215.5p | +1.5 | 201-05p |
| 3 months | 221.5p | +1.5 | 208.35p |
| Tin Cash (u) § | £3,103 | +15.5 | £3,077.5 |
| 3 months (u) | £3113 | +4.5 | £3,066.5 |
| Wolfram 22.04lb. cif | £40 40.5 | +1.75 | £38-39 |
| Zinc Cash (u) § | £519.75 | —1.5 | £327 |
| 3 months (u) | £328.25 | +1.0 | £318 |
| Producers (u) | £360 | ........ | £360 |
| Oils | | | |
| Coconut Malayan | £178h | ........ | £160* |
| Groundnut | | | |
| ..% | £400 | ........ | ‡ |
| Linseed Crude (u) | £422 | ........ | £435 |
| Palm Malayan (a) | £180r | ........ | £154 |
| Soyabean (u) | ‡ | ........ | ‡ |
| Seeds | | | |
| Copra Philipp ton | $235 | +5 | $230 |
| Gr'nuts Nigerian | ‡ | ........ | ‡ |
| Linseed Can. No. 1 | £160s | —7.5 | £156 |
| Grains | | | |
| Barley EEC | £57.25h | ........ | £54.5 |
| Homes Futures | £56.5 | ........ | £56.5 |
| Maize | | | |
| French No.3 Am | £60.25t | ........ | £54.75 |
| S.A. Yellow | £69k | ........ | £65 |
| Wheat | | | |
| No. 1 Red Spring | ‡ | ........ | ‡ |
| No.2Hard Winter | ‡ | ........ | £69.55 |
| Australian (f.a.q.) | ‡ | ........ | ‡ |
| English Milling | £59.75h | ........ | £56.75 |
| Cocoa Shipment (u) | £714.5 | +18.5 | £524 |
| futures Sept. (u) | £630.5 | +14.5 | £447.5 |
| Coffee Shipment (c) | ‡ | ........ | ‡ |
| futures Sept. (Ulb) | £719.25 | +37.75 | £462.5 |
| Cotton 'A' Index cent | 54.2 | ........ | 54.2 |
| Jute LJABWC (d) | £195 | ........ | £200 |
| Rubber.........kilo | 33.5p | +0.5 | 31.0p |
| Sisal EA3L (u) | $600 | ........ | $600* |
| Sugar (raw) | £195 | +5 | £140 |
| Wooltops 64s ...kilo | 188p | ........ | 190p |
| Cloves (Madagaska) | £2,550 | ........ | £2,400 |
| Pepper White...ton | £890 | ........ | £850 |
| Black...ton | £690 | ........ | £635 |

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation h August. k Aug.-Sept. u Metric tons. r September. e June-July. s July-Aug. t Nov. q May-June. w Nov.-Jan.

### FINANCIAL TIMES

| July 24 | July 23 | Month ago | Year ago |
|---|---|---|---|
| 175.02 | 173.26 | 157.98 | 214.59 |

(Base: July 1, 1952=100)

### REUTER'S

| July 24 | July 23 | Month ago | Year ago |
|---|---|---|---|
| 1116.6 | 1113.6 | 1057.8 | 1284.6 |

(Base: Sept. 18, 1931=100)

### DOW JONES

| Dow Jones | July 24 | July 23 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 306.06 | 303.65 | 264.69 | 382.27 |
| Futures | 285.25 | 287.81 | 242.32 | 345.28 |

(Average 1924-25-26=100)

### MOODY'S

| Moody's | July 24 | July 23 | Month ago | Year ago |
|---|---|---|---|---|
| Sple Comm'ty | 779.9 | 766.1 | 739.2 | 882.6 |

(Dec. 31, 1931=100)

LIVERPOOL COTTON—Spot and shipment sales amounted to 144 tonnes, bringing the total for the week so far to 537 tonnes, F. W. Tattersall reports. Scattered operations were mainly in South American and Middle Eastern qualities with further support in Turkish, Russian and Colombian varieties. The call for African growths was on a modest scale.

## U.S. Markets

# Limit gains in cocoa, grains

NEW YORK, July 24.

SILVER closed higher on chartist and commission house buying, while copper advanced in featureless trading. Cocoa closed limit-up with continued commission house buying following strength of other commodity markets. Sugar finished lower on trade selling. Chicago grains closed limit-up to sharply higher on unconfirmed reports of continued Soviet grain purchases. Bache reports.

Cocoa—Ghana spot 81 nom. (78½ nom.). Bahia spot 67½ nom. (65½ nom.). Sept. 60.85 (58.85), Dec. 56.90 (54.90), March 55.85, May 55.20, July 55.35, Sept. 55.15, Dec. 55.15. Sales: 1,459.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: July expired (79.00), Sept. 73.00 bid (69.00), Nov. 73.50 bid, Dec. 73.93 bid, March 74.68 bid, May 75.15 bid, July 75.45 bid. Sales: 39.

Copper—July 57.30 (57.00), Aug. 57.40 (57.20), Sept. 57.90, Dec. 59.50 settlements. Sales: 1,669 lots.

Cotton—Oct. 49.00 (48.70), Dec. 49.31-49.35 (49.01), March 50.21, May 50.81-50.90, July 51.45-51.55, Oct. 51.70 bid, Dec. 51.90 bid. Sales: 810.

φGold—July 165.60 (165.10), Aug. 166.00 (165.50), Sept. 167.50, Oct. 169.00, Dec. 172.00, Feb. 175.00, April 177.90, June 180.50, Aug. 183.70, Oct. 186.60. Sales: 1,991.

Greasewool—Spot 142.5 nom. (same), Oct. 143.5-149.0 (142.0), Dec. 143.5-149.0 (144.5), March 146.0-151.5, May 146.0-152.5, July 146.0-152.5, Oct. 146.0 bid, Dec. 146.0 bid.

†Lard—Chicago loose 34 asked (33 nom.). NY prime steam 35½ nom. (35½ nom.).

††Maize—Sept. 278½-279, Dec. 264½-265, March 271½-271¼, May 274¼, July 273.

‡Platinum—Oct. 171.90 (169.90), Jan. 178.20 (174.20), April 180.30 bid, July 184.50, Oct. 186.30. Sales: 592.

‡‡Silver—Spot 479.00 (470.00), July 477.00 (470.30), Aug. 477.50 (471.30), Sept. 481.00, Dec. 493.30, Jan. 497.30, March 505.10, May 512.90, July 520.50, Sept. 527.90. Sales: 7,071.

*Soyabeans—Aug. 574½ bid (554½), Sept. 572½ bid (552½), Nov. 574½-574¾ bid, Jan. 583½-583½, March 592 bid, May 601-602, July 605 bid, Aug. 608 nom.

hSoyabean Meal—Aug. 130.20-130.00 (126.10), Sept. 134.00-134.50 (130.30), Oct. 136.50-136.00, Dec. 140.00-139.50, Jan. 140.30, March 145.00.

Soyabean Oil—Aug. 26.60 bid (25.60), Sept. 25.45 bid (24.44), Oct. 24.55 bid, Dec. 23.77 bid, Jan. 23.45 bid, March 23.27 bid, May 22.98 bid, July 22.75 bid, Aug. 22.60 bid.

Sugar—Spot 18.35 (17.85). Sept. 17.40-17.70 (17.69), Oct. 17.00-17.30 (17.35), Jan. 16.94 nom., March 16.45-16.60, May 16.40, July 16.46, Sept. 16.45, Oct. 16.40. Sales: 5,224.

Tin—318.00-371.00 (same).

**Wheat—Sept. 388½-389, Dec. 382-384, March 393½, May 395.

WINNIPEG, July 24. ††Rye—July 241 bid, Oct. 245½-248, Dec. 243½ asked, May 242 nom.

cOats—July 166½, Oct. 159 asked, Dec. 156½ asked, May 155.

§Barley—July 243, Oct. 236½-237, Dec. 233 asked, May 220 nom.

dFlaxseed—July 807 bid, Oct. 802 bid, Nov. 786 bid, Dec. 778 bid, May 750 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 503½ (503½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. φ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. h New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

# STOCK EXCHANGE REPORT

# Equities remain nervous but long-dated gilts improve

## Index down 5.1 at 283.4—Land Secs. leads dull Properties

**Account Dealing Dates**
**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| July 14 | July 24 | July 25 | Aug. 5 |
| July 28 | Aug. 7 | Aug. 8 | Aug. 19 |
| Aug. 11 | Aug. 20 | Aug. 21 | Sep. 2 |

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The equity market put on another dreary display yesterday as end-Account influences aggravated recent anxieties about interest rates and the lack of a strong Government stand on the inflation problem. Sentiment was not helped by news of the 1m. unemployed. Medium- and longer-dated gilt-edged, however, made a partial recovery from Wednesday's dullness with gains to ½. Shorts remained under pressure in front of to-day's MLR announcement, with the market looking for an increase to 10½ per cent. and the possibility of a full point rise to 11 per cent. The Government Securities index rallied 0.16 to 60.23.

Selling was not particularly heavy in equities, although some reasonable lines of stock came on offer in the leaders. Initial firmness, mainly an overlap from Wednesday's late bear closing, was short-lived and a minor (0.3) improvement in the FT 30-share index at 10 a.m. was quickly replaced by a fall of 1.1 at the 11 a.m. calculation: the loss was further extended to 6.8 at 1 p.m., but once again technical influences brought a late modest rally which left the index a net 5.1 lower at 283.4 for a four-day fall of 15.5.

Features remained few, but the property sector was particularly dull following news of the £21m. fund-raising plan by Land Securities; the FT-Actuaries share index for the subsection dropped 7.1 per cent. to 145.53. The widespread nature of the dullness in Equities was seen in the 6-1 ratio of falls to rises in FT-quoted Industrials, while the FT-Actuaries All-Share index declined afresh by 1.6 per cent. to 126.56.

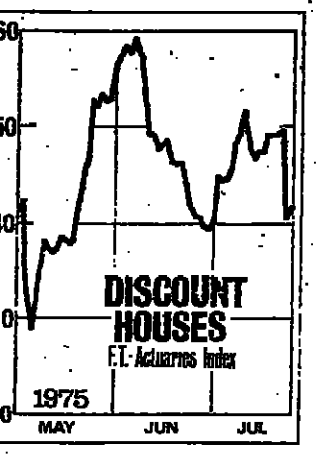
The strengthening conviction of a sharp rise in Minimum Lending Rate to-day undermined short-dated British Funds but failed to further unsettle the medium and long end of the market. The result was final losses of ½ in the shorts and gains of that amount in the mediums, which tapered to ¼, after ½, among the longs. Business was generally uninspiring after the first hour or so although interest revived late immediately following the U.S. Federal Reserve Board chairman's remarks about short-term interest rates there. The possibility of a new long "tap" being announced "after-hours" to-day was thought to be very real but as a trading influence failed to match the MLR factor. Corporations weakened further to close with fresh falls to a point.

Institutional and other selling, the latter released by overseas activity in Gold shares, found the investment currency market none too willing and the premium slipped lower to close a net 2⅞ down at 86¼ per cent. Yesterday's SE conversion factor was 0.6410 (0.6300).

### Gillett up again

The favourable interim statement which helped the shares jump 23 in Wednesday's late trade continued to help Gillett Bros. which gained 7 more to 155p in otherwise quiet Discounts. Allen Harvey and Ross receded 10 to 280p. The big four Banks failed to build up any enthusiasm ahead of the next stage of the interim dividend season which continues to-day with Lloyds and Midland reporting; small selling and lack of support took Lloyds, 188p, and Midland, 228p, down 4 apiece, while Barclays shaded 2 to 240p. Bank of Scotland also continued friendless at 224p, down 4. In overseas issues, Standard and Chartered came back 8 to 465p and Hong Kong and Shanghai shed 6 to 221p.

Insurances showed fresh falls to 6, as in "Royals," 262p, Phoenix, 196p, Equity and Law, 136p, and Pearl, 186p. General




Accident closed 5 lower at 138p and Sun Alliance cheapened 3 to 373p.

Breweries continued easier on small offerings and lack of support. Arthur Guinness shed 4 more to 100p and Allied and Bass Charrington were both around 2 lower at 57½p and 80p respectively.

Apart from Stoneware, 10 higher at 170p on revived speculative support, Buildings closed with a fairly lengthy list of losses. Burt Boulton reacted 5 to 160p on the reduced earnings, while R. Costain, 186p, and Taylor Woodrow, 248p, lost 6 apiece. London Brick shed 2 at 38p, while Ibstock Johnsen were also out of favour at 58p, down 6.

### Stores active

Chemicals generally showed modest falls. ICI ended a penny cheaper at 248p, after 246p, while Rentokil, 55p, and Federated Chemical, 43p, lost 2 apiece. Allied Colloids were also on offer at 83p, down 4.

Stores closed with small losses following a reasonable two-way business. Marks and Spencer, 94p, and "Gussies" "A," 150p, declined 3 apiece, but a good two-way trade in Debenhams left the shares unchanged at the overnight price of 61p. Burton Group "A" shed a penny at 39p as did UDS at 77p. A penny easier ahead of the preliminary statement, Maple Macowards rallied on the news to close without alteration at 10p. Shoes had A. and H. Meltzer a penny cheaper at 6p.

Business remained fairly thin in the Electrical leaders, where fresh small declines were partially recouped later. First-quarter figures a little better than expected left Plessey unaltered on the day at 68p, after 65p. EMI finished a penny down at 168p, after 165p, while GEC, 116p, and Thorn Electrical, 134p, after 130p, both ended 2 easier. Elsewhere, Racal Electronics declined 6 to 283p and George H. Scholes 5 to 145p. Ward and Goldstone were unmoved at 49p despite lower profits.

Fairly widespread losses occurred in Engineerings but the leaders closed narrowly mixed. Tube Investments fluctuated between 234p and 228p before a close of 232p, up a net 2, while GKN ended unchanged at 207p, after 204p. Vickers were more vulnerable and lost 3 to 120p, after 119p. Otherwise, Anderson Strathclyde fell 7 to 103p. GHP gave up 6 at 80p and Adwest 5 at 109p. Also dull were Simon, 91p, and Desoutter Bros., 94p, with losses of 4 apiece. Coated Metals reacted 3 to 42p on the sharply reduced profits and Aluminium Corporation retreated 2 to 45p after news of the first-half slump. Poor results took ½ off Associated British, at 4p. Belated consideration of the financing arrangements caused Butterfield-Harvey to lose 3 to 21p. Against the trend, Spear and Jackson rallied 3 to 80p, while renewed demand lifted Redman Heenan 2 to 8p, the latter on recovery hopes.

Tate and Lyle remained a dull market, the Ordinary and the new nil-paid shares both closing 4 easier at 186p and 7p premium. Elsewhere in Foods, Lidstone were marked down 5 to 63p on the half-year loss and the omission of an interim dividend. Against the trend, Unigate closed a fraction harder at 40½p, sentiment being helped by Press comment on the preliminary figures and the proposed milk price increases; Associated Dairies put on 3 to 150p and Lockwoods were the same amount better at 53p. In Supermarkets, Wheatsheaf Distribution were 4 easier at 117p with the new nil-paid 5 off at 6p premium.

J. Lyons "A" finished 3 easier at 117p following the chairman's remarks at the annual meeting, while small selling left Queens Moat a penny cheaper at a 1975 "low" of 5½p.

### Unilever fall

Unilever attracted the brunt of the selling in miscellaneous Industrial leaders and closed at the day's worst of 328p for a fall of 18, possibly on nervousness ahead of the half-year figures, due shortly; the NV lost ¼ to £17¾. Reckitt and Colman were notable for a loss of 10 to 290p, while Rank "A," a dull market of late on the lower interim profits, weakened 7 more to 126p. Reed International lost 5 to 202p, while Beecham, 274p, after 270p, and Glaxo, 337p, after 333p, both finished only 3 easier. Elsewhere, Hanson Trust closed 8 down at 82p, after 79p, in ex "rights" form, with the new nil-paid at 55p premium, following an active business; the 6½ per cent. Convertible were quoted ex "rights" at £57. Macfarlane Group receded 7 to 59p, while losses of 6 were recorded in Hargreaves Group, 25p, Steel Bros., 210p, Fitzwilton, 32p, and Lep Group, 154p. However, Bensons International Systems were raised 15 to 175p on news that the company had reached agreement on the intimated 190p cash offer from the Swedish concern Esselte AB. Renewed speculation on the bid talks with LCP left Central Manufacturing 2 firmer at 66p.

Motors and Distributors drifted lower. Rolls-Royce gave up another 1½ at 53p, while Lotus Car, 16p, and Lucas Industries, 98p, lost 2 and 3 respectively. After the recent speculative activity, British Car Auction put on 1 to 50p in response to the profits and dividend statement which accompanied full details of the proposed "rights" issue. Braid Group provided another isolated firm spot at 18p, up 2, on the increased interim dividend and first-half profits.

Still unsettled by the proposed "rights" issue, McCorquodale gave up 4 further to 164p, while Inveresk continued under the cloud of the interim profits slump, losing 1½ more to 46p. Other Paper/Printings were often marginally easier and DRG shed 3 to 93p. Similar conditions were evident in Newspapers where Thomson also lost 3, to 158p. Impressive results failed to sustain Gordon and Gotch which came 2 cheaper at 56p.

### Properties weak

After Wednesday's setback on rising interest rate fears, Properties were further undermined yesterday by Land Securities' announcement of a £21m. "rights" offer of 10 per cent. Convertible Loan stock. The leaders managed to close a little above the day's worst on "bear covering" and some "cheap" buying, but with net falls extending to 13, as in Land Securities, 148p, after 145p; the 5½ per cent. Convertible lost 12 points to £111 and the 6½ per cent. Convertible 10 points to £101. MEPC ended 6 down at 88p, after 85p, while English Property, following Press suggestions that an early bid from Eagle Star now seems most unlikely, finished 5½ cheaper at 46½p, after 45p. Amalgamated Investment were finally 2 off at 21p, after 19p, and Town and City 1½ easier at 16½p, after 15½p. Elsewhere, United Real Property retreated 25 to 170p, while further losses of about 15 occurred in Great Portland Estates, 180p, and Hammerson "A", 325p. Other dull spots took in Haslemere Estates which receded 11 to 165p, Berkeley Hambro down 12 at 110p and Wingate Investments which lost 5 to 18p.

Oils kept in step with the general downturn and Shell closed 5 lower at 294p, while British Petroleum ended 3 cheaper at 512p, after 510p. End-Account selling took 4 off Berry Wiggins, at 71p, and Tricentrol gave up 3 at 63p following disappointment with the result of a North Sea well, which has been plugged. The lower investment currency premium was reflected in a fall of ⅝ to £25⅞ in Royal Dutch. Elsewhere, Ultramar shed 2 to 178p and British-Borneo 4 to 146p. Overseas issues had few exceptions to the trend, and Pan Ocean fell 30 to 810p and Woodside-Burmah 4 to 72p.

Overseas Traders recorded fresh losses although South African Distilleries and Wines provided a firm exception at 340p, up 10. After Wednesday's fall of 19, Inchcape responded to the preliminary results with an initial recovery to 350p but later retreated to 337p before ending a penny easier on the day at 343p. James Finlay closed 8 cheaper at 130p, after 128p, and Harrisons and Crosfield 50 lower at 825p, after 800p, while Paterson Zochonis receded 20 to 320p.

In Trusts and Financials, Second British Assets closed 6 lower at 117p following the half-year report and West Coast and Texas Regional Warrants were similarly down at 20p after trading news. Dalgety receded 6 more to 192p and Fashion and General, at 75p, lost the previous day's Press-inspired gain of 5. News that Slater Walker had sold its entire holding (2.3m. shares) in the company saw Direct Spanish Telegraph dip to 46p but then rally to close unaltered at 48p.

Shippings spent a quiet and uneventful day and closed easier for choice. Furness Withy touched 228p before easing afresh to close 2 down on balance at 223p. P & O Deferred closed similarly cheaper at 83p, while James Fisher declined 5 to 70p.

After the previous day's gain of 5 which followed the retiring chairman's encouraging view on prospects at the AGM, Courtaulds eased 2 to 108p in irregular Textiles. Ahead of to-day's interim results, Allied also cheapened 2, to 49p, while David Nixon declined 4 to 22p. John Haggas, on the other hand, rallied 10 to 220p in a restricted market.

### Mines lack lustre

Further small selling ahead of next Tuesday's interim results took Bats down to 285p before a close of 289p for a fresh loss of 6 on the day. Imps shaded a penny more to 62p.

It was a quiet and generally easier day throughout Mining share markets. Gold shares relinquished a little of the previous two-days' recovery with the Gold Mines index falling 1.5 to 345.5.

The market opened steady enough reflecting the firmer tone of the U.S. market overnight but prices subsequently drifted owing to an almost complete lack of fresh demand. The further setback in the dollar premium was countered by a modest rise in the bullion price which closed 95 cents up at $165.25 per ounce.

An isolated firm spot was Winkelhaak which, helped by Continental demand, put on 20 at 980p. Otherwise, Kinross were 10 off at 670p and East Rand Proprietary gave up 15 at 980p.

Financials generally mirrored Golds although the London-based issues held steady despite the further decline in the U.K. Industrial market. Anglo-Vaal were a point off at £14½ and Union Corporation eased 10 to 500p. De Beers were unaltered at 311p following news of the renegotiated terms of its diamond operations in Botswana. Botswana RST touched 92p before ending 1 off on balance at 89p.

London and Cape offerings were reported in Platinums where Bishopsgate (104p) and Potgietersrust (230p) were both around 5 lower. Coppers were untested.

The lower premium caused widespread but generally small losses in Australians which were also subdued by uninspiring home markets overnight. Pancontinental were subject to profit-taking and came back 20 to 480p and Peko-Wallsend fell 15 to 270p. Bougainville were 4 down at 88 on the lower second quarter profits.

In Tins, Saint Piran were unaltered at 12p following the full year's profits and dividend. Beralt eased 1 to 11p. Elsewhere, premium considerations took 10 from Northgate at 285p.

## FINANCIAL TIMES STOCK INDICES

| — | July 24 | July 23 | July 22 | July 21 | July 18 | July 17 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 60.23 | 60.07 | 60.46 | 60.80 | 60.97 | 61.18 | 56.91 |
| Fixed Interest | 60.34 | 60.26 | 61.09 | 60.76 | 60.63 | 60.72 | 58.00 |
| Industrial Ordinary | 283.4 | 288.5 | 294.3 | 295.6 | 298.9 | 296.9 | 254.2 |
| Gold Mines | 346.5 | 347.0 | 341.5 | 337.3 | 348.5 | 350.6 | 398.6 |
| Ord. Div. Yld. % | 7.10 | 7.00 | 6.87 | 6.84 | 6.79 | 6.81 | 7.80 |
| Earnings Yld. % (full) | 20.63 | 20.35 | 20.04 | 19.94 | 19.81 | 20.29 | 20.86 |
| P/E Ratio (net) (a) (b) | 6.92 | 7.02 | 7.12 | 7.16 | 7.21 | 7.04 | 5.69 |
| Dealings marked | 4,785 | 5,493 | 4,225 | 4,697 | 4,348 | 4,698 | 5,791 |
| Equity turnover £m. | — | 57.78 | 40.86 | 40.44 | 43.66 | 48.37 | 38.89 |
| Equity bargains total | — | 13,017 | 11,915 | 12,930 | 11,970 | 14,309 | 9,487 |

10 a.m. 288.3. 11 a.m. 287.4. Noon 282.7. 1 p.m. 281.7. 2 p.m. 283.0. 3 p.m. 282.1.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=6.88.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

## HIGHS AND LOWS

| — | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 62.34 (20/5) | 49.18 (6/1) | 127.4 (9/1/35) | 49.18 (6/1/75) |
| Fixed Int. | 62.31 (21/5) | 50.65 (3/1) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 365.5 (6/6) | 146.0 (6/1) | 543.6 (19/5/72) | 49.4 (26/6/40) |
| Gold Mines | 442.3 (22/5) | 280.2 (20/1) | 442.3 (22/5/75) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| — | July 24 | July 23 |
|---|---|---|
| Daily— | | |
| Gilt-Edged | 136.0 | 152.0 |
| Industrials | 160.4 | 186.6 |
| Speculative | 52.2 | 45.6 |
| Totals | 108.9 | 125.0 |
| 5-day Av'r'ge | | |
| Gilt-Edged | 143.6 | 147.8 |
| Industrials | 164.6 | 164.0 |
| Speculative | 50.1 | 49.2 |
| Totals | 107.2 | 106.6 |

# F.T.—ACTUARIES SHARE INDICES

**These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries**

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

| | Equity groups | Thurs. July 24, 1975 Index No. | Day's Change % | Est. Earnings Yield % (Max.) Corp. Tax 52% | Gross Div. Yield % (ACT at 35%) | Est. P/E Ratio (net) Corp. Tax 52% | Est. P/E Ratio (nil) Corp. Tax 52% | Wed. July 23 Index No. | Tues. July 22 Index No. | Monday July 21 Index No. | Friday July 18 Index No. | Year ago (approx.) Index No. | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (181) | 106.41 | −1.1 | 21.97 | 7.55 | 6.76 | 6.76 | 107.62 | 111.19 | 110.54 | 111.23 | 92.58 | 131.26 (6/6) | 51.78 (6/1) | 206.37 (4/5/72) | 15.70 (13/12/74) |
| 2 | Building Materials (30) | 89.37 | −0.9 | 20.54 | 8.82 | 7.24 | 7.23 | 90.15 | 93.35 | 94.04 | 94.88 | 93.70 | 117.40 (22/4) | 45.11 (6/1) | 253.84 (2/5/72) | 44.27 (11/12/74) |
| 3 | Contracting, Construction (23) | 187.71 | −2.7 | 19.10 | 4.91 | 7.88 | 7.88 | 193.02 | 200.31 | 201.22 | 202.25 | 153.58 | 251.61 (25/3) | 74.74 (6/1) | 389.33 (19/5/72) | 71.48 (12/12/74) |
| 4 | Electricals (17) | 200.27 | −1.4 | 20.66 | 5.78 | 7.11 | 7.10 | 203.15 | 211.01 | 205.43 | 206.48 | 163.92 | 234.64 (6/6) | 98.49 (2/1) | 350.04 (4/5/72) | 84.71 (25/6/66) |
| 5 | Engineering (Heavy) (13) | 130.59 | −1.7 | 26.93 | 8.17 | 5.66 | 5.66 | 132.86 | 134.52 | 133.69 | 135.49 | 107.70 | 159.79 (22/4) | 64.39 (2/1) | 202.57 (8/6/73) | 64.59 (2/1/75) |
| 6 | Engineering (General) (65) | 93.01 | −0.5 | 23.46 | 8.75 | 6.30 | 6.29 | 93.49 | 96.45 | 95.69 | 96.48 | 77.44 | 117.40 (6/6) | 45.43 (6/1) | 168.59 (4/5/72) | 45.43 (6/1/75) |
| 7 | Machine and Other Tools (9) | 37.23 | −2.8 | 18.91 | 11.07 | 9.61 | 9.61 | 38.32 | 39.17 | 38.90 | 39.06 | 33.19 | 48.98 (20/5) | 20.11 (2/1) | 136.70 (4/7/66) | 19.96 (13/12/74) |
| 8 | Miscellaneous (23) | 99.34 | −0.8 | 24.64 | 7.79 | 6.06 | 6.06 | 100.17 | 102.49 | 102.41 | 104.01 | 84.94 | 121.76 (6/6) | 49.65 (6/1) | 177.41 (27/4/72) | 49.65 (6/1/75) |
| 9 | CONSUMER GOODS (DURABLE) (59) | 80.38 | −1.8 | 24.74 | 7.63 | 5.91 | 5.90 | 81.87 | 83.32 | 82.75 | 83.83 | 77.98 | 95.15 (6/6) | 38.39 (6/1) | 227.78 (21/4/72) | 38.39 (6/1/75) |
| 10 | Electronics, Radio TV etc. (15) | 93.54 | −2.0 | 21.68 | 5.67 | 6.85 | 6.82 | 95.41 | 97.60 | 96.43 | 98.00 | 92.25 | 106.34 (6/6) | 44.28 (6/1) | 257.41 (19/5/72) | 42.85 (12/12/74) |
| 11 | Household Goods (15) | 125.92 | −0.6 | 33.24 | 8.17 | 4.40 | 4.40 | 126.74 | 127.08 | 127.50 | 128.62 | 122.88 | 146.90 (23/4) | 64.53 (6/1) | 263.22 (4/5/72) | 63.92 (17/12/74) |
| 12 | Motors and Distributors (27) | 42.22 | −2.2 | 25.80 | 10.97 | 5.56 | 5.53 | 43.18 | 43.86 | 43.76 | 44.16 | 39.96 | 50.91 (6/6) | 19.91 (6/1) | 170.59 (15/1/69) | 19.91 (6/1/75) |
| 13 | CONSUMER GOODS (NON-DURABLE) (167) | 117.58 | −1.4 | 17.12 | 7.16 | 8.37 | 8.34 | 119.00 | 122.69 | 121.15 | 122.57 | 99.92 | 146.45 (6/6) | 61.98 (6/1) | 226.08 (15/2/72) | 61.41 (12/12/74) |
| 14 | Breweries (16) | 131.20 | −1.8 | 15.42 | 7.70 | 9.80 | 9.80 | 133.63 | 137.55 | 135.72 | 137.35 | 110.44 | 163.83 (6/6) | 75.58 (6/1) | 281.87 (28/11/72) | 69.47 (13/12/74) |
| 15 | Wines and Spirits (7) | 131.34 | +0.7 | 14.80 | 7.71 | 10.19 | 10.19 | 130.48 | 137.23 | 135.95 | 139.63 | 128.93 | 177.94 (9/7) | 80.42 (6/1) | 257.40 (13/7/72) | 78.88 (13/12/74) |
| 16 | Entertainment, Catering (16) | 134.42 | −1.5 | 16.49 | 8.28 | 9.04 | 9.04 | 136.46 | 141.82 | 139.11 | 140.36 | 103.53 | 158.44 (27/6) | 56.26 (6/1) | 329.99 (12/12/72) | 54.83 (9/1/75) |
| 17 | Food Manufacturing (22) | 126.61 | −2.1 | 16.21 | 6.29 | 8.48 | 8.44 | 129.34 | 133.52 | 131.39 | 133.92 | 102.14 | 156.57 (6/6) | 62.03 (2/1) | 211.65 (1/5/72) | 59.77 (11/12/74) |
| 18 | Food Retailing (16) | 114.51 | −0.8 | 13.77 | 5.61 | 10.58 | 10.58 | 115.43 | 117.04 | 115.61 | 116.70 | 90.90 | 149.17 (4/6) | 57.15 (2/1) | 235.08 (15/2/72) | 54.25 (11/12/74) |
| 19 | Newspapers, Publishing (15) | 120.86 | −1.4 | 17.48 | 7.98 | 8.70 | 8.70 | 122.58 | 125.73 | 126.32 | 128.08 | 119.42 | 152.14 (6/6) | 55.08 (6/1) | 260.29 (18/1/72) | 55.08 (6/1/75) |
| 20 | Packaging and Paper (13) | 81.22 | −1.8 | 27.18 | 9.06 | 5.40 | 5.40 | 82.71 | 84.97 | 84.23 | 85.24 | 75.97 | 107.12 (20/5) | 43.46 (6/1) | 155.69 (26/4/72) | 43.46 (6/1/75) |
| 21 | Stores (30) | 99.99 | −0.8 | 14.43 | 6.52 | 10.53 | 10.53 | 100.77 | 103.55 | 101.49 | 101.21 | 84.51 | 132.94 (20/6) | 52.63 (6/1) | 204.39 (16/2/72) | 52.63 (6/1/75) |
| 22 | Textiles (13) | 118.34 | −1.2 | 29.18 | 9.05 | 4.08 | 3.98 | 119.82 | 122.04 | 120.52 | 122.68 | 119.64 | 145.07 (27/6) | 62.91 (6/1) | 253.72 (17/3/63) | 62.66 (11/12/74) |
| 23 | Tobacco (3) | 175.67 | −2.0 | 18.85 | 7.58 | 7.89 | 7.89 | 179.30 | 186.77 | 187.28 | 191.17 | 136.84 | 199.16 (10/5) | 109.92 (6/1) | 339.16 (2/2/72) | 94.34 (13/6/62) |
| 24 | Toys and Games (6) | 41.00 | −0.6 | 31.91 | 8.85 | 4.30 | 4.30 | 41.22 | 42.03 | 42.47 | 41.98 | 38.34 | 44.08 (6/6) | 20.92 (6/1) | 135.72 (16/1/70) | 20.92 (6/1/75) |
| | OTHER GROUPS (92) | | | | | | | | | | | | | | | |
| 25 | Chemicals (24) | 157.31 | −0.8 | 22.17 | 5.76 | 6.46 | 6.46 | 158.50 | 161.83 | 160.64 | 161.37 | 125.42 | 189.17 (6/6) | 73.14 (6/1) | 201.92 (31/1/69) | 71.20 (11/12/74) |
| 26 | Office Equipment (10) | 73.55 | −4.2 | 19.54 | 6.48 | 7.07 | 7.07 | 76.77 | 78.91 | 81.16 | 81.82 | 92.26 | 104.78 (17/4) | 45.34 (2/1) | 246.06 (1/9/72) | 45.34 (2/1/75) |
| 27 | Shipping (12) | 321.74 | −1.8 | 26.61 | 7.46 | 4.84 | 4.68 | 327.75 | 338.74 | 339.55 | 340.48 | 296.11 | 401.84 (10/5) | 194.38 (6/1) | 517.00 (5/12/72) | 90.80 (29/6/62) |
| 28 | Miscellaneous (46) | 122.50 | −1.6 | 21.99 | 8.25 | 6.64 | 6.64 | 124.37 | 128.33 | 127.72 | 128.81 | 113.21 | 155.58 (6/6) | 60.39 (6/1) | 268.85 (2/5/72) | 60.39 (6/1/75) |
| 29 | INDUSTRIAL GROUP (496) | 116.29 | −1.3 | 19.96 | 7.15 | 7.25 | 7.21 | 117.86 | 121.32 | 120.28 | 121.41 | 101.41 | 145.43 (6/6) | 59.19 (6/1) | 220.17 (1/5/72) | 59.01 (13/12/74) |
| 30 | OILS (4) | 275.10 | −1.1 | 36.75 | 5.52 | 4.01 | 3.74 | 278.16 | 280.43 | 282.70 | 283.44 | 192.47 | 296.47 (4/6) | 105.85 (2/1) | 431.66 (29/5/69) | 87.23 (29/6/62) |
| 31 | 500 SHARE INDEX | 129.41 | −1.3 | 21.08 | 6.88 | 6.39 | 6.26 | 131.11 | 134.50 | 133.71 | 134.82 | 109.18 | 156.14 (6/6) | 65.49 (6/1) | 227.95 (16/8/72) | 63.49 (13/12/74) |
| 32 | FINANCIAL GROUP (100) | 114.85 | −2.8 | — | 6.23 | — | — | 118.13 | 121.88 | 121.00 | 123.36 | 106.70 | 148.45 (20/6) | 56.50 (6/1) | 241.41 (11/4/72) | 55.88 (13/12/74) |
| 33 | Banks (6) | 152.15 | −1.0 | 25.00 | 6.01 | 5.99 | 5.99 | 153.54 | 159.09 | 158.41 | 141.11 | 127.15 | 177.11 (6/5) | 62.56 (2/1) | 288.52 (20/7/72) | 62.44 (12/12/74) |
| 34 | Discount Houses (9) | 141.76 | +0.7 | — | 8.53 | — | — | 140.84 | 149.66 | 149.09 | 149.09 | 124.11 | 169.27 (7/5) | 84.13 (6/1) | 293.13 (2/6/72) | 81.40 (10/12/74) |
| 35 | Hire Purchase (5) | 88.49 | −1.7 | 28.20 | 10.24 | 4.71 | 4.32 | 90.02 | 92.95 | 93.91 | 94.57 | 155.18 | 134.39 (10/3) | 42.81 (6/1) | 433.72 (4/5/72) | 38.83 (11/12/74) |
| 36 | Insurance (Life) (9) | 97.91 | −3.0 | — | 7.00 | — | — | 100.95 | 102.99 | 103.27 | 104.57 | 85.68 | 127.97 (23/4) | 44.88 (2/1) | 194.46 (15/5/72) | 44.88 (2/1/75) |
| 37 | Insurance (Composite) (7) | 94.43 | −2.6 | — | 6.99 | — | — | 96.97 | 98.62 | 97.54 | 100.29 | 76.91 | 123.90 (20/5) | 44.47 (2/1) | 155.76 (21/4/72) | 43.96 (13/12/74) |
| 38 | Insurance (Brokers) (8) | 181.86 | −0.9 | 11.19 | 4.65 | 13.29 | 13.29 | 183.53 | 188.31 | 190.19 | 191.87 | 134.87 | 211.60 (20/5) | 68.96 (7/1) | 262.57 (12/12/73) | 65.86 (16/12/74) |
| 39 | Merchant Banks (19) | 78.37 | −1.7 | — | 6.99 | — | — | 79.71 | 81.80 | 81.50 | 81.74 | 88.35 | 94.97 (7/5) | 31.21 (7/1) | 278.57 (1/5/72) | 31.21 (7/1/75) |
| 40 | Property (32) | 145.53 | −7.1 | 5.26 | 4.12 | 27.86 | 26.86 | 156.66 | 164.29 | 162.04 | 164.93 | 146.60 | 241.22 (22/4) | 88.19 (7/1) | 357.40 (8/11/73) | 56.01 (20/4/65) |
| 41 | Miscellaneous (5) | 65.86 | — | 17.18 | 10.07 | 8.58 | 8.49 | 65.86 | 67.55 | 68.06 | 67.63 | 75.81 | 75.78 (23/4) | 34.78 (10/1) | 303.15 (12/6/72) | 33.29 (17/12/74) |
| 42 | Investment Trusts (50) | 148.59 | −1.7 | 3.39 | 4.68 | 29.53 | 29.63 | 151.17 | 154.50 | 154.62 | 154.97 | 118.27 | 178.53 (6/6) | 73.43 (6/1) | 245.79 (25/4/72) | 71.63 (13/12/74) |
| 43 | ALL-SHARE INDEX (650) | 126.56 | −1.6 | — | 6.61 | — | — | 128.63 | 132.06 | 131.31 | 132.63 | 108.43 | 154.09 (6/6) | 62.16 (6/1) | 228.18 (1/5/73) | 61.92 (13/12/74) |
| | COMMODITY GROUPS (Not included in 500 or All-Share indices) | | | | | | | | | | | | | | | |
| 44 | Rubbers (10) | 403.15 | −1.2 | 14.08 | 8.16 | 10.32 | 10.24 | 407.95 | 404.42 | 406.20 | 416.70 | 319.72 | 525.43 (23/5) | 381.66 (2/1) | 555.37 (23/7/73) | 84.68 (25/8/65) |
| 45 | Teas (10) | 100.43 | −0.7 | 36.12 | 10.24 | 3.86 | 3.69 | 101.12 | 102.82 | 102.98 | 103.38 | 87.14 | 104.15 (16/7) | 76.76 (10/1) | 121.47 (1/6/72) | 59.72 (17/10/74) |
| 46 | Coppers (3) | 354.60 | — | 56.36 | 21.30 | 1.81 | 1.81 | 354.60 | 350.77 | 349.52 | 360.57 | 403.08 | 467.74 (27/5) | 349.52 (22/7) | 567.78 (13/7/73) | 94.08 (29/4/63) |
| 47 | Mining Finance (11) | 120.50 | −0.7 | 10.17 | 4.39 | 10.80 | 10.80 | 121.41 | 120.89 | 120.18 | 123.57 | 94.42 | 141.34 (30/6) | 80.56 (22/1) | 175.90 (28/4/69) | 66.31 (30/9/74) |
| 48 | Tins (8) | 92.76 | +0.1 | 10.99 | 8.94 | 11.72 | 10.06 | 92.63 | 91.67 | 92.94 | 93.52 | 72.25 | 114.49 (5/6) | 58.91 (8/1) | 126.48 (12/1/73) | 54.83 (27/6/71) |
| 49 | Overseas Traders (13) | 201.11 | −2.2 | 17.26 | 4.92 | 7.41 | 7.41 | 205.66 | 210.98 | 210.63 | 210.28 | — | 262.25 (20/6) | 97.37 (6/1) | 252.23 (20/6/75) | 97.37 (6/1/75) |

| | FIXED INTEREST | Thurs. July 24 Index No. | Yield % | Wed. July 23 | Tuesday July 22 | Monday July 21 | Friday July 18 | Thurs. July 17 | Wed. July 16 | Tuesday July 15 | Year ago (approx.) | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Consols 2½% yield | — | 13.99 | 14.08 | 13.98 | 13.87 | 13.76 | 13.78 | 13.75 | 13.78 | 14.93 | — | — | — | — |
| 2 | 20-yr. Govt. Stocks (6) | 50.04 | 13.01 | 49.80 | 50.24 | 50.52 | 50.72 | 51.01 | 50.68 | 50.53 | 48.65 | 53.09 (20/5) | 38.27 (3/1) | 115.42 (11/8/65) | 38.27 (3/1/75) |
| 3 | 20-yr. Red. Deb. & Loans (15) | 48.10 | 15.33 | 47.67 | 48.05 | 48.07 | 47.83 | 47.70 | 47.63 | 47.63 | 44.61 | 50.68 (21/5) | 37.01 (3/1) | 113.43 (25/10/63) | 37.01 (3/1/75) |
| 4 | Investment Trusts Perfs. (15) | 46.51 | 14.87 | 46.29 | 46.25 | 46.25 | 44.80 | 46.26 | 46.26 | 45.47 | 42.24 | 46.57 (23/5) | 35.35 (3/1) | 114.41 (13/9/63) | 34.45 (4/12/74) |
| 5 | Coml. and Indl. Prefs. (20) | 66.68 | 14.11 | 66.02 | 66.70 | 65.94 | 64.39 | 65.06 | 65.71 | 65.29 | 57.20 | 66.98 (20/5) | 48.35 (3/1) | 114.85 (7/10/63) | 47.67 (6/1/75) |

Section or Group / Base Date / Base Value [illegible]

† Redemption yield. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 15p. CONSTITUENT CHANGES: [illegible] NAME CHANGE: Scottish Automobile has changed its name to Heron Motor Group.

## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1975 high | 1975 low |
|---|---|---|---|---|---|---|
| Bats | 25p | 15 | 289 | −6 | 338 | 164 |
| Tate & Lyle 'New' | Nil/pd. | 15 | 7* | −4 | 21* | 7* |
| ICI | £1 | 14 | 248 | −1 | 303 | 118 |
| Leg. & Gen. 'New' | Nil/pd. | 12 | 2½* | −1 | 22* | 2½* |
| Courtaulds | 25p | 11 | 108 | −2 | 140 | 53 |
| Land Secs. | 50p | 11 | 148 | −13 | 251 | 79½ |
| Unilever | 25p | 11 | 328 | −18 | 408 | 170 |
| Barclays Bank | £1 | 10 | 240 | −2 | 325 | 112 |
| Metal Box 'New' | Nil/pd. | 10 | 5* | −3 | 28* | 5* |
| BP | £1 | 9 | 512 | −3 | 555 | 190 |
| Central Manuf'g. | 10p | 9 | 66 | +2 | 70 | 20 |
| Hanson Tst. 'New' | Nil/pd. | 9 | 55* | — | 61* | 53* |
| Distillers | 50p | 8 | 107 | −1 | 150 | 65½ |
| Marks & Spencer | 25p | 8 | 94 | −3 | 128 | 47½ |
| P & O Defd. | £1 | 8 | 83 | −2 | 128 | 59½ |

*The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).*
* Premium.

## Option Report—3-month Call rates

**OPTION DEALING DATES**

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| July 22 | Aug. 4 | Oct. 16 | Oct. 28 |
| Aug. 5 | Aug. 18 | Oct. 30 | Nov. 11 |
| Aug. 19 | Sep. 1 | Nov. 11 | Nov. 25 |

"Calls" were dealt in Tube Investments, Capital and Counties, Lonrho, P. & O. Deferred, Charterhall Finance, House of Fraser, Inveresk, Dunlop, Glynwed, Laporte, Siebens Oil and Gas and J. Brown. A "put" was done in Courtaulds, while "doubles" were arranged in Courtaulds, National Commercial Bank, Inveresk and Charterhall Finance.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Industrials | | Grand Met. | 9 | Slater Walker | 15 | | |
| | | G.U.S. 'A' | 20 | Spillers | 7 | Mines | |
| A. P. Cement | 20 | Guardian | 20 | Tesco | 6 | Anglo Amer | 50 |
| Assoc. Leisure | 3 | G.K.N. | 28 | Thorn "A" | 20 | Broken Hill Prp | 75 |
| Barclays Bank | 55 | Hawker Sidd. | 30 | Tube Invest. | 30 | Charter Cons. | 22 |
| Beecham | 28 | House of Fraser | 10 | Unilever | 40 | Chart'rh'll Fin. | 8 |
| Boots Drug | 24 | Hudson (Wilms | 5 | Utd. Drapery | 12 | Cons Gold | 25 |
| Bowaters | 20 | I.C.I. | 24 | Vickers | 16 | De Beers Def. | 25 |
| B.A.T. | 35 | "Imps" | 7 | Woolworths | 6 | P. S. Geduld | 350 |
| British Leyland | 11 | I.C.L. | 7 | | | Great Boulder | 12 |
| British Oxygen | 6 | Inveresk | 10 | Property | | Hampton Areas | 15 |
| Burton 'A' | 9 | Legal & General | 17 | Cap. Counties | 7 | Hampton Prop. | 4 |
| Cadburys | 6 | Lloyds Bank | 30 | E.P. | 11 | Kloof | 140 |
| Courtaulds | 14 | "Lofs" | 7 | Int. Europe | 7 | Lonrho | 13 |
| Debenhams | 11 | "Mams" | 9 | Land Securities | 22 | Loraine | 55 |
| Distillers | 15 | Marks & Sp'ncer | 13 | Peachey | 7 | Metals Explor. | 8 |
| Dunlop | 6 | Midland Bank | 52 | Town & City | 6 | Poseidon | 65 |
| Eagle Star | 16 | Nat'l West Bank | 30 | Town & Comm. | 7 | Pres. Steyn | 275 |
| E.M.I. | 20 | P & O Dfd. | 16 | | | Rio T. Zinc | 20 |
| First National | 3 | Plessey | 10 | Oils | | Welkom | 55 |
| G.R.A. Trust | 7 | R.H.M. | 7 | Brit. Petroleum | 45 | West Areas | 75 |
| Gen. Accident | 16 | Rank Org. 'A' | 25 | Burma Oil | 5 | Western M'ng | 15 |
| Gen. Electric | 14 | Reed Int'l | 28 | Shell | 30 | Zambia Copp. | 10 |
| Glaxo | 40 | | | Ultramar | 21 | | |

## NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

**NEW HIGHS (6)**

BUILDINGS (1)
Burnett and Hallamshire
ENGINEERING (2)
Bevan (D. F.) Doncaster (D.)
MOTORS (1)
Peterborough Motors
TRUSTS (1)
SPLIT Income
MINES (1)
Vogels

**NEW LOWS (14)**

BRITISH FUNDS (2)
Treas. 10½pc 1979 Treas. 9½pc 1980
BUILDINGS (1)
French Kier "A"
STORES (1)
Executex
ENGINEERING (3)
Brown (John) Young Austen & Y.
Whessoe
HOTELS (1)
Queen's Moat Houses
INDUSTRIALS (3)
British Syphon Venesta
Crowther (W.)
PROPERTY (2)
Amal. Inv. & Prop. Westminster Prop.
MINES (1)
Metals Ex.

## RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | 34 | 16 | 3 |
| Corps. Dom. & Foreign Bonds | 5 | 17 | 49 |
| Industrials | 96 | 618 | 1,041 |
| Financial and Prop. | 19 | 312 | 275 |
| Oils | 3 | 13 | 16 |
| Plantations | 2 | 12 | 34 |
| Mines | 6 | 50 | 97 |
| Rights and Recents | 6 | 23 | 43 |
| Totals | 171 | 1,061 | 1,558 |

## Busy lines

A FURTHER 18,000 trunk telephone circuits were brought into service by the Post Office during the last 12 months. There are now 165,000 trunk circuits in service—an increase of 12.2 per cent. over the total a year ago. A trunk circuit is a telephone speech channel linking two points more than 25 miles apart.

## BASE LENDING RATES

| | |
|---|---|
| AFI International | 9½% |
| Allied Irish Banks Ltd. | 9½% |
| Anglo-Portuguese Bank | 10 % |
| Henry Ansbacher | 10½% |
| Banco de Bilbao | 9½% |
| Banco de Jerez | 10½% |
| Bank of Cyprus | ‡10 % |
| Banque du Rhone S.A. | 10 % |
| Barclays Bank | 9½% |
| Barnett, Christie Ltd. | 11 % |
| Bremar Holdings Ltd. | 10½% |
| Brit. Bank of Mid. East | 9½% |
| ■ Brown Shipley | 10 % |
| Cayzer, Bowater Co. Ltd. | 10½% |
| Cedar Holdings | 10 % |
| ■ Charterhouse Japhet | 10 % |
| C. E. Coates | 10½% |
| Consolidated Credits | 12 % |
| Continental Trade Bk. | 9½% |
| Co-operative Bank | *9½% |
| Copleys Bank | 11½% |
| Corinthian Securities | 9½% |
| Credit Lyonnais | 9½% |
| G. R. Dawes | 10½% |
| Duboff Brothers | 11½% |
| Duncan Lawrie | 10½% |
| English Transcont. | 11½% |
| First London Secs. | 9½% |
| ■ Antony Gibbs | 10 % |
| Goode Durrant Trust | 10 % |
| Greyhound Guaranty | 9½% |
| Grindlays Bank | 10 % |
| ■ Guinness Mahon | 9½% |
| ■ Hambros Bank | 9½% |
| Hawtin & Partners | 13 % |
| ■ Hill Samuel | §10 % |
| C. Hoare & Co. | †9½% |
| Julian S. Hodge | 10½% |
| Industrial Bank of Scot. | 9½% |
| Jacobs, Kroll | 11½% |
| Keyser Ullmann | 10½% |
| Kinghurst Securities | 12 % |
| Knowsley & Co. Ltd. | 11½% |
| Lloyds Bank | 9½% |
| London & European | 11½% |
| London Mercantile | 11½% |
| Midland Bank | 9½% |
| ■ Samuel Montagu | 9½% |
| ■ Morgan Grenfell | 9½% |
| National Westminster | 9½% |
| Northern Comm. Trust | 10½% |
| Norwich General Trust | 10 % |
| Portman Guaranty | 11 % |
| P. S. Refson & Co. | 9½% |
| Rossminster Accept'cs. | 9½% |
| Royal Trust of Canada | 10½% |
| Schlesinger Limited | 10½% |
| E. S. Schwab | 11½% |
| Security Trust Co. Ltd. | 11 % |
| Shenley Trust | 11½% |
| Standard & Chartered | 9½% |
| Sterling Credit | 12 % |
| Stewart Salmon & Co. | 9½% |
| Thames Guaranty | 11 % |
| Trade Development Bk. | 9½% |
| Twentieth Century Bk. | 11½% |
| United Bank of Kuwait | 9½% |
| Wallace Brothers Bank | 10½% |
| Whiteaway Laidlaw | 10 % |
| Williams and Glyn's | 9½% |
| Yorkshire Bank | 9½% |

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

**CORAL INDEX: Close 278-284**

**I.G. INDEX: GOLD 163½-166½**

## INSURANCE BASE RATES

| | |
|---|---|
| † Atlantic Assurance | 11½% |
| Cannon Assurance | 9½% |

† Address shown under Insurance and Property Bond table.

# MONEY MARKET

## Further shortage

**Bank of England Minimum Lending Rate 10 per cent. (since May 2, 1975)**

Credit remained in short supply in the London money market yesterday and the authorities gave a very large amount of help by buying Treasury bills and Corporation bills from the Discount houses, and also by lending a small amount, to one or two houses, overnight, at Minimum Lending Rate. The banks carried over full balances from Wednesday, the market was also helped by maturing Treasury bills, and a fall in the note circulation. This was outweighed, however, by a very large excess of revenue payments to the Exchequer over Government disbursements, and by the repayment of the previous day's official loans.

Discount houses paid around 9½ per cent. for secured call loans in the early part, and some money was taken at up to 9¾ per cent. Closing rates were in the range of 8 per cent. to 9½ per cent. In the interbank market overnight loans commanded 9¾-10 per cent. at the start but eased during the day to close at 8 per cent.

Short-term interest rates were generally a little firmer, without showing the large rises of the previous day. The one-month sterling certificate yield improved to 10¾-10⅝ per cent., from 10½-10⅜ per cent., the two-month was quoted at 10⅝-10½ per cent., compared with 10⅜-10¼ per cent., and the 12-month was 11¼-11 per cent., against 11⅛-10 15/16 per cent.

Rates in the table below are nominal in some cases.

| July 24 1975 | Sterling Certificates of deposits | Interbank | Local Authority deposits* | Local Auth. negotiable bonds | Finance house deposits | Company deposits | Discount market deposits | Treasury bills Φ | Bank bills Φ | Fine trade bills Φ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 9-10 | — | — | — | 10⅛-10⅛ | 8-9⅞ | — | — | — |
| 2 days notice | — | — | 10-10¼ | — | — | — | — | — | — | — |
| †7 days or 7 days notice | — | 10-10¼ | 10¼-10½ | — | — | — | — | — | — | — |
| One month | 10 9/16-10⅜ | 10¼-10½ | 10⅜-10½ | 11-10½ | 11¼-11⅛ | — | 9½-9¾ | — | — | — |
| Two months | 10⅝-10½ | 10⅜-10½ | — | 11-10½ | 11¼-11⅝ | — | 10-10⅛ | 10¼-10⅜ | 10⅜-10½ | 10¾-11 |
| Three months | 10¾-10½ | 10⅝-10⅞ | 10½-10¾ | 11-10½ | 11½-12 | — | 10⅛-10¼ | 10¼-10⅜ | 10⅜-10½ | 10¾-11 |
| Six months | 10 15/16-10 13/16 | 10¾-10⅞ | 10¾-10⅞ | 11-10½ | 11¾-12¼ | — | 10⅛-10¼ | 10⅜-10½ | 10½-10⅝ | 10¾-11 |
| Nine months | 11⅛-11 | 10⅞-11⅛ | — | 11⅛-11 | — | — | — | — | 10¾-10⅞ | 10¾-11½ |
| One year | 11¼-11 | 11-11⅛ | 11¾-12 | 11⅞-11⅝ | — | — | — | — | — | — |
| Two years | — | 12-12⅛ | 12½-13 | — | — | — | — | — | — | — |

† Local Authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13-13⅛ per cent.; four years 13½-14 per cent.; five years 14-14⅛ per cent. Φ Bank bill rates in table are buying rates for prime paper; buying rates four-month bank bills 10⅜-10⅝ per cent., and four-month trade bills 10⅞-11 per cent. Approximate selling rates for one-month Treasury bill 9 7/16-9⅝ per cent.; two-month 9¾-9 11/32 per cent.; three-month 9⅞-9 7/16 per cent. Approximate selling rates for one-month bank bills 10⅛-10⅜ per cent.; two-month 10 5/16-10⅜ per cent.; three-month 10 5/16-10½ per cent.; for one-month trade bills 10⅜-10½ per cent.; two-month 10⅜-10½ per cent.; and three-month 10½-10⅝ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice 6¾ per cent. Clearing Banks Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 9.4409 per cent.

# AUTHORISED UNIT TRUSTS

**The British Life Office Ltd.♥ (a)**
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

| | | | | |
|---|---|---|---|---|
| BL British Life | 34.5 | 35.9 | −0.4 | 6.12 |
| BL Balanced* | 27.1 | 28.7 | ...... | 6.67 |
| BL Capital* | 28.4 | 30.1 | ...... | 4.51 |
| BL Dividend* | 25.2 | 26.7 | ...... | 9.13 |

*Prices on July 23. Next dealing July 30.

**G. & A. Un. Tst. Mgrs. Ltd.♥ (a)(b)**
5, Rayleigh Rd., Brentwood (0277)227300

| | | | | |
|---|---|---|---|---|
| G. & A. | 20.3 | 21.7 | −0.2 | 6.02 |

**Gartmore Fund Managers♥**
2, St. Mary Axe, EC3A 8BP. 01-283 3531

| | | | | |
|---|---|---|---|---|
| British Trust | 29.1 | 31.3 | −0.4 | 4.58 |
| High Income Tst. | 27.5 | 26.2 | −0.2 | 12.44 |
| (Z)Overseas Tst. | 24.3 | 26.1 | −0.6 | 1.66 |

## REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Albany Inv. 20p | 14 | ...... | Craig Ship. £1 | 430 | ...... | Shiloh Spinn | 23 | ...... |
| Ash Spinning | 36 | ...... | Hallam Sleigh 10p | 6½ | ...... | Sindall (Wm.) | 43 | ...... |
| Bertam | 17 | ...... | Higsons Brew | 83 | ...... | | | |
| Brady (G.) 'A' | 45 | ...... | I.O.M. Stm. £1 | 120 | ...... | **IRISH** | | |
| Bdg'wtr. Est. 50p | 120 | ...... | Holt (Jos.) 25p | 185 | ...... | | | |
| Clover Croft | 35 | ...... | Kleen-e-Ze | 24 | ...... | Alliance Gas (£1) | 50 | ...... |
| Craig & Rose £1 | 310 | ...... | Lovell's Ship £1 | 130 | ...... | Carroll (P. J.) | 109 | ...... |
| Dyson (R.A.) | 30 | ...... | N'thn. Goldsmith | 90 | +8 | Clondalkin | 49 | ...... |
| Ellis & McHdy | 57 | ...... | P.M.A. | 35 | ...... | Concrete Prods. | 55 | ...... |
| Evans Fr'k. 10p | 36 | ...... | Pearce (C. H.) | 60 | ...... | Goodbody (£1) | 38 | ...... |
| Evered | 14½ | ...... | Peel Mills | 16 | ...... | Helton (Hldgs.) | 30 | ...... |
| Fife Forge | 47 | ...... | Richards 10p | 8 | +½ | Irish Distillers | 62 | ...... |
| Finlay Pkg. 5p | 16 | ...... | RobbCaledon5p | 28 | −1 | Irish Wire | 40 | ...... |
| Frost & Reed 50p | 85 | −1 | Sayers 12½p | 6 | ...... | Jacob | 50 | ...... |
| Gardiner & Sons | 11 | ...... | Sheffield Brick | 60 | ...... | Sunbeam | 11 | ...... |
| Gardner (L.) | 62 | −1 | Sheff. Refrshmt. | 143 | ...... | Unidare | 65 | ...... |

## FOOD PRICE MOVEMENTS

| | July 24 £ | Week ago £ | Month ago £ |
|---|---|---|---|
| **BACON** | | | |
| Danish A.1 per ton† | 845 | 820 | 820 |
| British A.1 per ton† | 840 | 815 | 815 |
| Irish Special per ton† | 840 | 815 | 815 |
| Polish A.1 per ton† | — | — | — |
| Ulster A.1 per ton§ | 840 | 815 | 815 |
| **BUTTER** (packet) | | | |
| NZ per 20 lbs† | 7.09-7.15 | 7.09-7.15 | — |
| English per cwt† | 41.14-41.16 | 41.14-41.16 | 41.14-41.16 |
| Danish salted per cwt† | 42.45-43.51 | 42.10-43.40 | 42.10-42.50 |
| **CHEESE¶** | | | |
| English cheddar white rindless 40-lb per cwt | — | — | 43.15 |
| NZ per 20 kilos | 15.61 | 15.61 | 15.61 |
| **EGGS*** | | | |
| Home-prod. Standard | 2.40-2.50 | 2.00-2.25 | 1.70-2.00 |
| Large | 3.10-3.20 | 2.80-2.90 | 2.85-3.00 |

| | July 24 per pound p p | Week ago per pound p p | Month ago per pound p p |
|---|---|---|---|
| **BEEF** | | | |
| Scotch killed sides ex KKCF | 28.0—32.0 | 29.0—33.0 | 34.0—37.0 |
| Eire forequarters | 17.5—18.5 | 16.0—18.5 | 20.0—22.0 |
| Argentine chilled rumps | — | — | — |
| **LAMB** | | | |
| English | 30.0—34.0 | 27.0—30.0 | 32.0—36.0 |
| NZ 2s-Ds | 29.0—30.0 | 29.5—30.0 | 30.5—31.0 |
| **PORK** (all weights) | 24.0—32.0 | 24.0—32.0 | 34.0—32.0 |
| **MUTTON** | | | |
| English ewes | 12.0—13.0 | 12.0—13.0 | 12.0—13.0 |
| **POULTRY** | | | |
| Broiler chickens | 24.0—27.0 | 24.0—27.0 | 25.0—26.5 |

* London Egg Exchange price per 120 eggs. † Delivered. § London and National Provision Exchange price. ¶ For delivery August 5-12. ** FMC prices.



# INSURANCE, PROPERTY, BONDS

# OFFSHORE AND OVERSEAS FUNDS

## NOTES

# FT SHARE INFORMATION SERVICE

## **BRITISH FUNDS

| 1975 High | 1975 Low | Stock | £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| | | "Shorts" (Lives up to Five Years) | | | | |
| 99⅝ | 94 | Exch. 6½pc 1976‡‡ | 97¾ | −⅛ | 6.65 | 10.35 |
| 97¾ | 92 | Treasury 6½pc 1976‡‡ | 96¼xd | −⅛ | 6.75 | 10.33 |
| 99 | 97 | Victory 4pc 1976‡‡ | 99 | ..... | 4.08 | — |
| 102 | 96⅞ | Treasury 10½pc 1976‡‡ | 99 | | 10.58 | 11.02 |
| 95 | 88⅞ | Treasury 6¼pc 1977‡‡ | 93¼ | −¼ | 6.70 | 10.84 |
| 94⅛ | 86¼ | Electric 3pc '74-77 | 92½ | −½ | 3.24 | 7.95 |
| 103 | 96⅞ | Treasury 11½pc '77‡‡ | 100 | | 11.46 | 11.27 |
| 88 | 84 | Treasury 3pc '77‡‡ | 87 | −¼ | 3.42 | 9.07 |
| 90⅝ | 84⅛ | Transport 4pc '72-77 | 88¾ | −⅛ | 4.51 | 9.31 |
| 96 | 90½ | Treasury 9pc 1978‡‡ | 93 | | 9.62 | 11.87 |
| 100 | 96⅝ | Treasury 10½pc '78‡‡ | 96⅝ | −⅛ | 10.87 | 11.86 |
| 87⅞ | 79 | Exchequer 5pc '76-78‡‡ | 85 | −⅛ | 5.88 | 10.67 |
| 103 | 94 | Treasury 11½pc '78‡‡ | 98 | | 11.65 | 11.92 |
| 79⅜ | 71 | Treasury 3pc '79‡‡ | 78 | +¼ | 3.85 | 9.53 |
| 81 | 73⅞ | Electric 4¼pc '74-79 | 79⅜ | −⅛ | 5.35 | 10.46 |
| 100 | 95 | Treasury 10½pc '79‡‡ | 95 | | 10.95 | 11.74 |
| 79⅜ | 71 | Electric 3½pc '76-79 | 78⅜ | +⅛ | 4.47 | 9.75 |
| 95 | 84 | Treasury 9pc 1980‡‡ | 90 | | 9.92 | 11.65 |
| 95 | 93½ | Treasury 9½pc '80‡‡ | 93½ | −½ | 10.16 | 11.25 |
| 79 | 68¾ | Treasury 3½pc '77-80 | 76¼ | ..... | 4.59 | 9.70 |
| 84½ | 71 | Funding 5¼pc '78-80‡‡ | 80¼ | ..... | 6.54 | 10.50 |
| | | Five to Fifteen Years | | | | |
| 75½ | 66⅛ | Treasury 3½pc '79-81 | 74 | +½ | 4.72 | 9.59 |
| 91⅛ | 72⅝ | Do 8½pc '80-82‡‡ | 85½ | +¼ | 9.97 | 11.81 |
| 104⅝ | 86⅝ | Treasury 12pc 1983‡‡ | 102½ | +¼ | 12.22 | 12.34 |
| 78 | 58 | Funding 5½pc '82-84‡‡ | 74¼xd | +½ | 7.42 | 10.12 |
| 85¼ | 61⅜ | Treasury 8½pc '84-86‡‡ | 81⅜ | +⅜ | 10.49 | 11.59 |
| 73¼ | 51⅜ | Funding 6½pc '85-87‡‡ | 70⅝ | +⅜ | 9.40 | 11.30 |
| 76¼ | 53 | Treasury 7¾pc '85-88‡‡ | 72⅛ | +⅜ | 10.74 | 12.13 |
| 47⅛ | 32⅞ | Transport 3pc '78-88 | 46¼ | +¼ | 6.51 | 10.85 |
| 56¼ | 39¾ | Treasury 5pc '86-89 | 55⅜ | +¼ | 9.26 | 11.72 |
| | | Over Fifteen Years | | | | |
| 75½ | 53¼ | Treasury 8¼pc '87-90‡‡ | 71½ | +¼ | 11.69 | 12.68 |
| 57 | 41⅞ | Funding 5¾pc '87-91‡‡ | 56⅛ | +¼ | 10.57 | 12.41 |
| 97½ | 85⅝ | Treasury 12½pc '92‡‡ | 91 | +¼ | 13.79 | 13.92 |
| 55 | 40½ | Funding 6pc 1993‡‡ | 54⅛ | +¼ | 11.55 | 12.98 |
| 75¼ | 54⅛ | Treasury 9pc '94‡‡ | 69⅜ | +¼ | 13.30 | 13.81 |
| 34⅞ | 24¼ | Gas 3pc '90-95 | 33⅝ | +¼ | 9.11 | 11.86 |
| 102 | 75 | Treasury 12¾pc '95‡‡ | 93 | +¼ | 14.08 | 14.16 |
| 71⅛ | 54¾ | Treasury 9pc '92-96‡‡ | 69⅞ | +¼ | 13.51 | 13.94 |
| 33¼ | 26½ | Redp. 3pc 1986-96 | 32⅝ | +⅛ | 9.47 | 11.89 |
| 94 | 93¼ | Treasury 13¼pc '97‡‡ | 93½ | +¼ | 14.21 | 14.27 |
| 69⅞ | 53¼ | Treasury 8¾pc 1997‡‡ | 67½ | +¼ | 13.47 | 14.06 |
| 59⅞ | 40¾ | Treasury 6¾pc '95-98‡‡ | 52⅞ | +¼ | 13.16 | 13.80 |
| 75⅛ | 54¼ | Treasury 9½pc 1999‡‡ | 68⅞ | +¼ | 13.84 | 14.11 |
| 31⅜ | 22 | Funding 3½pc '99-04 | 29⅝ | +⅛ | 11.86 | 12.73 |
| 61⅛ | 47 | Treasury 8pc '02-06‡‡ | 59⅞ | +¼ | 13.93 | 14.06 |
| 42⅞ | 33 | Treasury 5½pc '08-12‡‡ | 42¼ | +¼ | 13.69 | 13.72 |
| 59⅞ | 43⅛ | Treasury 7¾pc '12-15‡‡ | 55½xd | +¼ | 13.91 | 14.00 |
| | | Undated | | | | |
| 29¾ | 22⅛ | Consols 4pc | 27⅞xd | +⅛ | 14.31 | — |
| 27¾ | 20⅛ | War Loan 3½pc‡‡ | 25⅝ | +⅛ | 13.94 | — |
| 27½ | 22⅜ | Conv. 3½pc '61 Aft. | 26¾ | +⅛ | 13.65 | — |
| 22¼ | 17½ | Treasury 3pc '66 Aft. | 21⅞ | +⅛ | 14.31 | — |
| 18¼ | 14¼ | Consols 2½pc | 18 | +⅛ | 13.99 | — |
| 18½ | 14½ | Treasury 2½pc | 18¼ | +⅛ | 14.31 | — |

## **INTERNATIONAL BANK

| 1975 High | 1975 Low | Stock | £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| 68 | 58 | 5pc Stock '77-82 | 65½xd | ..... | 7.57 | 12.37 |
| 97¼ | 91½ | 8pc Sto. 1978 | 96½ | −¼ | 8.30 | 11.66 |

## **CORPORATION LOANS

| 1975 High | 1975 Low | Stock | £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| 87 | 80¼ | Birm'ham 6¾pc '78-81 | 85xd | −½ | 10.87 | 12.84 |
| 92½ | 87 | Bristol 6½pc '75-77 | 91⅞xd | +⅛ | 7.08 | 12.49 |

## HOTELS—Continued

| 1975 High | 1975 Low | Stock | Price | + or − | Div. Net | Cvr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 62 | 30 | Isle of Man Asc. | 62 | ..... | Q12% | ◆ | 4.4 | ◆ |
| 42 | 34 | I.O.M. Ent. 20p | 41 | ..... | Q5% | 2.9 | 2.4 | — |
| 140 | 140 | Kursaal | 140 | ..... | Q25% | 1.3 | 5.8 | 15.4 |
| 176 | 56 | Ladbroke 10p | 136 | −3 | 3.87 | 4.9 | 4.4 | 7.2 |
| 44 | 15 | Leisure Gen. 10p | 35 | ..... | 1.53 | 3.4 | 6.7 | 5.6 |
| 178 | 52 | Lyons (J.) £1 "A" | 117 | −3 | 7.57 | 8.6 | 10.0 | 28.1 |
| £84 | £57 | Do. 7½pc Conv. 1981 | £76 | −1 | Q7½% | 26.3 | 49.9 | — |
| 7¾ | 4 | Mt. Charlotte 10p | 4½ | ..... | 0.06 | ◆ | 2.2 | ◆ |
| 65 | 43 | Myddleton 50p | 45 | ..... | 1.42 | 1.0 | 11.7 | 13.2 |
| 53 | 53 | Norfolk Cap 5p | 53◆ | ..... | †0.87 | 1.4 | ‡ | 42.9 |
| 43 | 13 | North (M.F.) 10p | 22 | ..... | 0.67 | 1.1 | 4.7 | 29.6 |
| 28 | 13¼ | Pontin's 10p | 22 | −½ | †1.25 | 2.1 | 8.7 | 8.3 |
| 49 | 27 | Prince of Wales | 38 | ..... | d2.28 | ◆ | 9.8 | ◆ |
| 12 | 5½ | Queen's Moat 5p | 5½ | −1 | d0.53 | 2.1 | 3.8 | 30.0 |
| 65 | 29 | Rowton Hotels | 50 | −1 | 4.69 | 1.6 | 14.6 | 4.6 |
| 29 | 15 | Savoy "A" 10p | 21 | ..... | 0.50 | — | 3.7 | — |
| 25 | 9½ | Stakis (Reo) 10p | 21½ | +½ | 0.77 | 2.4 | 5.6 | 11.3 |
| 25 | 15 | Sunningdale 10p | 17 | ..... | 1.9 | ◆ | 17.2 | ◆ |
| 14½ | 7½ | Swan Ryan 5p | 12½ | ..... | Q42½% | 11.0 | 17.7 | ‡ |
| 127 | 40 | Trust H. Forte | 97 | ..... | 7.35 | 1.1 | 11.7 | 11.9 |
| 95 | 75 | Wheeler's 10p | 90 | ..... | †4.08 | 2.2 | 7.0 | 10.0 |

## INDUSTRIALS (Miscel.)

| 1975 High | 1975 Low | Stock | Price | + or − | Div. Net | Cvr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 127 | 48 | A.A.H. | 116 | ..... | †7.76 | 2.5 | 10.3 | 5.8 |
| 100 | 49 | AD Int. | 90xd | ..... | 2.27 | 3.9 | 3.6 | 11.2 |
| 45 | 15 | AGB Research 10p | 34 | ..... | 1.83 | ◆ | 8.3 | ◆ |
| 56 | 21 | A.V.P. Inds. | 40 | ..... | 2.25 | 4.3 | 8.6 | 4.2 |
| 47 | 16 | Aaronson Bs. 10p | 28 | −1 | 1.50 | 2.6 | 8.3 | 7.2 |
| 41 | 18 | Abbey Ltd. | 35 | ..... | ‡Q25% | 1.9 | ‡ | — |
| 15 | 9 | Abrasives Int. 10p | 11 | ..... | 1.40 | 2.2 | 19.6 | 3.6 |
| 100 | 64 | Airfix Inds. 20p | 100 | ..... | 2.79 | ◆ | 4.4 | ◆ |

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## INDUSTRIALS—Continued

| 1975 High | Low | Stock | Price | + or − | Div Net | Cvr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 38 | 20 | Johns'n & B.12½p | 28 | −2 | d1.47 | 3.1 | 8.1 | (10.7) |
| 46 | 20 | Johnson Clnrs. | 28 | −3 | 2.18 | 1.6 | 12.0 | 7.9 |
| 345 | 120 | Johnson Mth. £1 | 265 | ...... | 10.23 | 4.9 | 5.9 | 5.3 |
| 41 | 18 | Judge Int. | 27 | ...... | 1.90 | 3.6 | 10.8 | 4.0 |
| 27 | 14½ | Kalamazoo 10p | 20 | ...... | 1.62 | 2.7 | 12.5 | 4.6 |
| 47 | 20 | Kelsey Ind. 12½p. | 34 | −1 | d2.47 | 4.7 | 11.2 | 2.9 |
| 20 | 9 | Kennedy Sm. 10p. | 17 | ...... | 1.44 | 1.0 | 13.0 | 11.4 |
| 670 | 325 | Kershaw (A.) 5p | 650 | +14 | 12.01 | 0.7 | 2.8 | 69.9 |
| 200 | 66 | Kleeman | 180 | ...... | 3.89 | 4.1 | 3.3 | 11.3 |
| 39 | 15 | Kode Int. | 26 | ...... | 1.23 | 3.5 | 7.3 | 6.0 |
| 59 | 24 | L.C.P. Hlds. | 45xd | ...... | 2.89 | 2.5 | 9.9 | 6.1 |
| 21 | 11 | L.K. Ind. Inv. | 18 | ...... | d1.96 | 1.8 | 16.8 | 5.1 |
| 30 | 13½ | L.R.C. Int. 10p | 23 | −1 | 2.67 | 1.9 | 17.9 | 4.1 |
| 101 | 56 | Lamson Inds. | 67 | ...... | 2.74 | 3.5 | 6.3 | 6.5 |
| 40 | 29 | Lawtex | 29 | ...... | 2.58 | 4.2 | 13.7 | 2.2 |
| 118 | 48 | Lead Inds. 50p | 93 | −1 | 4.69 | 5.9 | 7.8 | 3.4 |
| 40 | 17 | Le Bas (Ed.) | 37 | ...... | 1.36 | 6.9 | 5.8 | 3.9 |
| 38 | 15 | Leboff Fobel 10p. | 28½ | ...... | †1.48 | 4.3 | 8.0 | 7.9 |
| 43 | 19 | Lebus Harris | 30 | ...... | 2.0 | 0.2 | 10.3 | — |
| 21 | 12 | Leigh (L.) 5p | 21 | ...... | 0.73 | 5.3 | 5.4 | 4.9 |
| 73 | 35 | Leisure Car. 10p | 70 | ...... | 4.42 | φ | 9.7 | φ |
| 168 | 59 | Lep Group 10p | 154 | −6 | 2.36 | 9.4 | 2.4 | 5.3 |
| 27 | 12 | Lesney Prods. 5p. | 19 | ...... | 0.78 | 7.0 | 6.4 | 2.9 |
| 43 | 13 | Letraset 10p | 29½ | ...... | 1.23 | 6.8 | 6.4 | 2.7 |
| 20½ | 5½ | Liden 10p | 14 | ...... | 0.17 | 2.4 | 1.8 | 28.2 |
| 45 | 17 | Light & Leis. 10p. | 33 | −1 | g2.36 | 3.6 | 11.9 | 4.0 |
| 50 | 35 | Lindsay & Wms. | 40 | ...... | 3.06 | 3.6 | 11.8 | 3.6 |
| 62 | 28½ | Lindustries | 50 | ...... | †3.76 | 3.4 | 11.8 | 3.6 |
| 51 | 33 | Lipton (L.) | 43 | ...... | 2.4 | 3.9 | 8.6 | 4.6 |
| 47 | 11 | Lloyds Ind. 10p | 35 | ...... | 3.0 | 2.8 | 13.2 | 5.9 |
| 45 | 15¼ | Lon. & Nthn. Sec. | 31 | −½ | 3.35 | 1.7 | 16.6 | 5.3 |
| 15 | 8 | Long Hambly. 10p. | 10 | ...... | 1.17 | 3.8 | 18.0 | 2.2 |
| 26 | 19 | Longton Trans. | 22 | ...... | 2.64 | ‡2.3 | 18.4 | 3.6 |
| 65 | 28 | Lonsdale Unival. | 45 | −2 | 3.63 | 3.3 | 12.4 | 3.7 |
| 195 | 82 | Low & Bonar 50p. | 155 | +5 | 8.31 | 3.8 | 8.2 | 4.6 |
| 24 | 14 | Lyon & Lyon | 17 | +1 | 1.89 | 1.7 | 17.2 | 5.2 |
| 52 | 18 | MK Refrig'n 10p | 26 | −1 | 2.31 | 3.8 | 14.2 | 2.8 |
| 38 | 18 | M.Y. Dart. 10p | 25 | −2 | 1.28 | 3.8 | 7.9 | 5.1 |
| 25 | 11½ | Macanie Ldn. 10p | 15 | ...... | 1.47 | 1.8 | 15.1 | 5.5 |

## INDUSTRIALS—Continued

| 1975 High | Low | Stock | Price | + or − | Div Net | Cvr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 15 | 12 | Wood & Sons 5p | 12 | ...... | 0.49 | 3.5 | 6.6 | 7.0 |
| 13½ | 7 | Wood (Arthur) 5p. | 10 | ...... | 0.67 | 3.6 | 10.2 | 4.2 |
| 13 | 8 | Wood (W.) 10p | 11 | ...... | ‡0.87 | — | ‡ | — |
| 99 | 29 | Wood Hall | 83 | −2 | ‡4.03 | 16.1 | 7.8 | 5.2 |
| 7¼ | 4 | Yatton Furn. 5p | 6¼xd | ...... | ‡0.34 | φ | 8.4 | φ |
| 27½ | 14 | Zetters 5p | 19 | ...... | 0.89 | 4.5 | 7.2 | 4.7 |

## ††INSURANCE

| 1975 High | Low | Stock | Price | + or − | Div Net | Cvr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 65 | 30 | Brentnall Bd. 10p | 55xd | −3 | ‡2.92 | 3.0 | 8.2 | 6.4 |
| 154 | 60 | Britannic 5p | 124 | −2 | 7.0 | — | 8.7 | — |
| 970 | 440 | Comb. Ins. Am. $1 | 790 | −22 | Q56c | — | 3.3 | — |
| 194 | 72 | Comm. Union | 141 | −3 | 6.85 | — | 7.5 | — |
| 148 | 44 | Eagle Star | 107 | ...... | 4.6 | — | 6.6 | — |
| 186 | 50 | Equity & Law 5p | 136 | −6 | 5.1 | — | 5.8 | — |
| 174 | 67 | Gen. Accident | 138 | −5 | 5.4 | — | 6.0 | — |
| 224 | 83 | Guardian Royal | 174 | −2 | 7.75 | — | 6.9 | — |
| 180 | 54 | Hefford Sh'd 10p | 175 | ...... | 5.44 | 3.0 | 4.8 | 10.9 |
| 232 | 82 | Heath (C.E.) 20p | 200 | −4 | 6.1 | 3.3 | 4.7 | 10.1 |
| 152 | 47 | Hogg Robinson | 120 | ...... | 3.66 | 3.0 | 4.8 | 10.2 |
| 138 | 30 | Howden (A.) 10p | 115 | ...... | 2.17 | 4.2 | 2.9 | 12.7 |
| •142 | 43½ | Legal & Gen. 5p | 103xr | −3 | ‡4.36 | — | 6.5 | — |
| 125 | 33 | Lon. & Gdwn. 10p. | 103 | ...... | 3.39 | 2.3 | 5.2 | 13.4 |
| 143 | 48 | Lon. & Man. 5p | 98 | −2 | 4.35 | — | 6.8 | — |
| 178 | 63 | Matthew Wr. 20p | 156 | ...... | 7.39 | 1.6 | 7.3 | 13.0 |
| 158½ | 49½ | Minet Hldgs. 20p. | 130 | −2 | h2.16 | 4.2 | 2.6 | 14.4 |
| 240 | 93½ | Pearl 5p | 186 | −6 | 9.6 | — | 7.9 | — |
| •230 | 87 | Phoenix | 196xr | −6 | ‡8.23 | — | 6.5 | — |
| 130 | 60 | Provident "A" | 110 | −5 | 6.13 | — | 8.6 | — |
| 125 | 60 | Do. "B" | 110 | −5 | 6.13 | — | 8.6 | — |
| 142½ | 52 | Prudential 5p | 111 | −3 | ‡5.07 | — | 7.0 | — |
| 130 | 48 | Refuge "B" 5p | 110 | −5 | 6.25 | — | 8.7 | — |
| 339 | 125 | Royal | 262 | −6 | 12.55 | — | 7.4 | — |
| 250 | 99 | Sedg. Forbes 10p | 220 | −3 | ‡7.32 | 1.8 | 5.1 | 17.1 |
| 82 | 29 | Stenhouse | 67 | −2 | 3.12 | 2.3 | 7.3 | 8.0 |
| 454 | 175 | Sun Alliance £1 | 375 | −2 | G15.38 | — | 6.3 | — |
| 93 | 32 | Sun Life 5p | 72 | −3 | ‡2.67 | — | 5.7 | — |
| 870 | 575 | T'sh. Mar'e. EDR. | 705 | ...... | Q11% | — | 1.5 | — |

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## NOTES

"Recent Issues" and "Rights" Page 19

FINANCIAL TIMES
Friday July 25 1975



# BR seeks freight charge increase in October

BY ARTHUR SMITH

BRITISH RAIL is seeking to raise freight charges from October and the Government is stepping in to meet the major part of the £70m. deficit anticipated on these services this year.

Charges were last raised just 12 days ago and BR said last night the increase it would now put before the Price Commission had still to be calculated.

The new moves to ease the financial plight of the railways were announced by Dr. John Gilbert, the Minister of Transport, on the eve of to-day's publication of BR's last annual report. The State undertaking suffered a loss of £157.8m. in 1974, but even this figure understates the true deficit. Nearly £400m. of public money was pumped in through central government and local authority grants.

While grants are available for passenger services, freight activities are supposed to be self financing and the initiative by Dr. Gilbert sets a precedent. The Minister said in a written reply to a question in the Commons that BR was making a thorough review of freight activities and looking at ways of improving productivity and rationalising services. Trade unions would be consulted, he said.

The results of the review were expected by the Autumn following which the Government could take a view about its future strategy on freight.

BR attributes much of the blame for the losses suffered in 1974 upon exercising price restraint at a time of increasing inflation. Though the extent of the loss was not entirely unexpected, it does underline the gravity of the situation confronting BR.

In spite of yesterday's announcement of a new subsidy, the Government has firmly declared that it cannot afford to continue heavy support and has called upon the Board to reduce its dependence upon the Exchequer. At the same time cost pressures are mounting in the wake of the major pay award to railmen; in 1974 manpower alone was responsible for 65 per cent. of total costs.

BR wants to raise passenger fares 15 per cent. from September 7, but scope for further revenue from this source is nearing its limit as customer resistance is mounting. Inter-city services are thought to have been particularly hit by the April fares increase and BR may look to a reduction in the frequency of such services as one way to seek economies.

A fundamental cost-cutting exercise is under way with the level and extent of services and manning levels all under review. A policy of natural wastage of labour is already in operation and talks have started with the trade unions about productivity measures.

Editorial comment, Page 16

# Russians may want more U.S. grain

BY ADRIAN DICKS

WASHINGTON, July 24.

THE U.S. Department of Agriculture to-day published a revised estimate of the Soviet Union's grain harvest this year of only 185m. tons—10m. tons less than the department's previous forecast earlier this month, and 25m. tons below the official Soviet target.

Earlier to-day it was reported that the Agriculture Secretary, Mr. Earl Butz, had predicted privately that the Russians might be in the market for quantities of wheat and feedgrains as large as they bought in 1972.

This abrupt re-assessment of probable Soviet needs this year comes only a day after Mr. Richard Bell, the U.S. Assistant Agriculture Secretary for International Affairs, had predicted that the Russians had probably now completed their current round of purchases with the wheat and feedgrains deals announced earlier this week.

In Chicago futures dealings, there were sharp gains in wheat, maize and soya beans to-day on the strength of rumours that the Russian drought had caused further crop losses.

Rains in the MidWest had driven prices down on Wednesday, but in busy trading to-day early delivery maize and soya bean contracts rose by, or close to, daily limits.

Wheat contracts advanced by up to 12 cents a bushel to close at \$3.68½/\$3.69 for September delivery and \$3.95 for next May. Soya beans closed at \$3.74½ for August, and maize at \$2.78½/\$2.79 for September.

In reaction to to-day's developments, the Agriculture Department ordered grain exporters to inform it in advance of any fresh negotiations with the Soviet Union. So far the Russians are known to have bought 4.2m. tons of wheat from the U.S. together with 5.6m. tons of feedgrains. They have also bought almost 3m. tons from Canada and Australia.

The official U.S. position is that up to 14-15m. tons could be sold to Russia this year without any ill-effects on American supplies. If the figure is much higher, however, there is likely to be fierce political resistance to anything smacking of a repetition of the 1972 shortage that followed Soviet purchases of 19m. tons.

One symptom of this has already been the vote by the U.S. International Longshoremen's Union to give its president power to block the loading of export orders to the Soviet Union if he judges it to be against American interests.

# Tough BSC line on job cuts likely

By Kenneth Gooding and Lorelies Olslager

UNION LEADERS expect Sir Monty Finniston, the British Steel Corporation chairman, to take a very tough line at preliminary negotiations starting to-day aimed at making the corporation's cost-reduction programme more effective.

The tone was set by the BSC's newspaper, distributed to the 220,000 employees yesterday, which maintained: "The world steel recession is now so serious that BSC is having to borrow massive sums of money to pay the wages bill."

Even if the six-point plan agreed with the TUC Steel Committee last May, and by which the corporation hopes to save £100m. in employment costs, is completely successful, "the year's total wage bill will still exceed the money available after paying our suppliers by 5 per cent."

when hinting that losses would total well over £200m. this financial year, made it clear there was a substantial gap between what the Corporation had hoped for and what had *been achieving so far in cost-saving.*

According to Corporation officials, the problem seems to have been to get agreement at local level on just what constituted "unnecessary overtime" and "overmanning"—both due for elimination under the arrangement.

The Corporation has drawn up details of areas where it considers overmanning exists, and will present these at the formal talks with the TUC Steel Committee next Tuesday.

Union leaders expect Sir Monty to press for more voluntary redundancies and virtual suspension of the guaranteed working week, as well as sounding out their reaction to the possibility of closing some of BSC's older plants.

The unions are still smarting under what they consider unjustified allegations that strikes lost the BSC 1m. tonnes of production and £40m. of profit last year.

Their main concern is still job preservation. The Corporation can expect stiff resistance if it tries to push for works closures or forced redundancies.

● Blastfurnacemen at Hartlepool steelworks have dropped out of the action committee fighting the threatened closure of the plant in 1978. They want to be made redundant immediately because of the way their earnings have dropped in the present recession. The men have had their earnings cut by 20 per cent. and have in many cases been downgraded.

# Dearer coal unlikely this year, NCB chief hints

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

A GUARDED INDICATION that the price of coal will not go up again before at least the end of 1975, apart from the normal seasonal adjustments, was made yesterday by Sir Derek Ezra, chairman of the National Coal Board.

He also announced that last financial year the NCB turned a £112.3m. loss into an operating profit of £33.8m.

At the moment it looks as if the NCB could achieve its financial objectives again this year and operate at a profit after earning enough to meet all outgoings, interest charges and taxes, he said.

## Grants cut hope

The NCB hoped this year, too, to lop £20m. off the grants it has been receiving from the Government.

Last financial year the turnround in the industry was even greater than the statistics suggest at first sight. Government grants were reduced from £130.1m. to £68.2m. On top of this, the NCB took £16m. from revenue for the fund set up to compensate sufferers from pneumoconiosis.

Sir Derek said that the NCB hoped to hold down prices until at least the end of the calendar year. But this would depend on its getting the increased productivity and cost reductions it looked for, and the miners agreeing to follow the pay guidelines in the anti-inflation White Paper.

Productivity so far this financial year had fallen from the average of 45 cwt a manshift in 1974-75 to 44.7 cwt. After the summer holidays the NCB would make "a determined attack" on productivity with the aim of lifting output by 5 per cent. to 47.2 cwt a manshift.

This would give production of between 125m. and 135m. tons, against 124m. tons last year.

Pricing was important, Sir Derek said, because the favourable differential between coal and oil was marginal, below 10 per cent.

Capital expenditure this year would rise from just over £100m.

Sir Monty earlier this week to £200m. on mining activities, with half financed from the NCB's own resources and the rest mainly funded by borrowings overseas.

To some extent the need for cash would depend on the negotiations with the Government over compensation for the transfer of the NCB's North Sea oil and gas business to the new national holding company, and on when this took place.

The NCB looks for up to £200m. in compensation for this move, £130m. to £140m. on investment already made, and the rest—the subject of the negotiations—would cover loss of earnings on gas and oil already discovered.

## Stockpiling pacts

Sir Derek revealed that the NCB had completed a stockpiling arrangement with the British Steel Corporation under which about a half-million tons more coal would be stored in the BSC yards, but paid for only when used.

Negotiations are going on about a similar scheme with the Central Electricity Generating Board.

Also in partnership with the BSC, the NCB hoped to develop a chemical complex at which it would use North Sea oil to help the search for efficient ways of providing coal-based substitutes for many products and uses now dependent on petroleum.

Future NCB research and development would concentrate on this area rather than on provision of smokeless fuel, which had taken up most of the effort in the past few years.

Report details, Page 8

# MPs face autumn 'overtime'

BY JOHN BOURNE, LOBBY EDITOR

THE GOVERNMENT, running into considerable difficulties with its Parliamentary programme, has decided that both Houses will have to sit for nearly a month in the autumn "spill over period" of the present session—an unusually long time.

This will delay the opening of the next session until the first week of November.

The Government also suffered a blow from the Conservatives yesterday. The Opposition succeeded in obtaining an extra day's debate for the final stages of the Bill giving effect to the counter-inflation White Paper.

Originally the Government had announced that all final stages would be rushed through the Commons yesterday.

But in the afternoon Conservative leaders argued strongly that this practice had never been followed with previous prices and incomes legislation. Their clinching point, however, was that next week's Parliamentary business—just announced by Mr. Edward Short, Leader of the House—would have to be altered anyway.

## Alteration

This was because the controversial Employment Protection Bill, scheduled for its remaining stages on Monday, had not yet been printed as amended by the Standing Committee on the Legislation.

Consequently Mr. Short was forced to announce a complete alteration of next week's business, delaying the Employment Protection Bill until Wednesday, and also slotting in the report and third reading of the anti-inflation Bill at 7 o'clock on Tuesday.

It is now likely that the Community Land Bill will not leave the Commons to be considered by the Lords until the beginning of the autumn "spill over," which will run from October 13.

Also on the list for the spill over are stages of the Scots and Welsh Development Agency Bills, and the Commons' consideration of the Lords' fundamental amendments to the Trade Union and Labour Relations Bill, which covers the contentious issue of closed shops in newspapers.

Richard Evans writes: There is a growing prospect of a major constitutional clash between the Government and the House of Lords.

Present indications are that Conservative peers, with the support of many Liberals and cross-benchers, are in no mood to give way to Government wishes on the Housing Finance Bill or the Trade Union and Labour Relations Bill, both of which the Lords have amended.

The crunch for the Lords will come on Monday week, when the Commons considers their Housing Finance Bill amendments. If the Government insists on restoring the Bill to its original condition, peers will have to decide whether to defy the Government or meekly accept its policies.

Parliament, Page 11

# Helsinki talks on Berlin

By Nicholas Colchester

HAMBURG, July 24.

BRITAIN will host a working lunch for the heads of government of the U.S., West Germany and France at the summit conference at the end of this month in Helsinki, Mr. Wilson said in Hamburg to-day.

The problem of Berlin will be one of the topics to be discussed.

Economic matters played an important part in to-day's talks between Mr. Wilson and Chancellor Helmut Schmidt, and their Foreign Ministers.

Chancellor Schmidt said later he was "deeply impressed" by the Prime Minister's anti-inflation programme. Both said there was no question of West Germany providing financial aid to Britain.

The two Foreign Ministers discussed Iceland's decision to extend its territorial waters out to 200 miles.

# THE LEX COLUMN

# Puzzling issue by Land Securities

**Index fell 5.1 to 283.4**

All eyes will be on the Treasury Bill tender to-day, the question being whether MLR will rise fully to the 11 per cent. level apparently indicated as being appropriate by the Bank of England. This increase is directly linked to the climb in U.S. short term interest rates, but ironically there is growing opinion that U.S. rates may soon go down again.

Mr. Arthur Burns, chairman of the Fed, explained yesterday how higher rates have resulted from the Fed's moves to counter excessive growth in the money supply (M1). Now commentators like Greenwell, in their latest Monetary Bulletin, are suggesting that the buoyancy of M1 in the U.S. may subside within a few weeks, allowing interest rates to fall back again.

## Land Securities

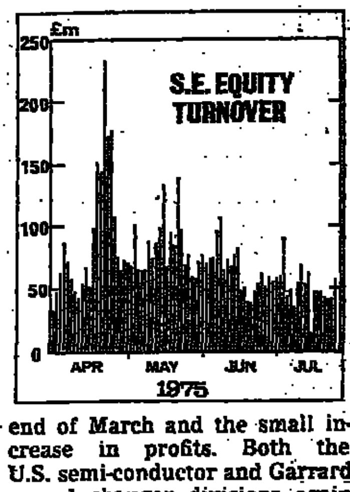
Land Securities' rights issue is rather bewildering. After all, the group has just spent £25m., mainly between the end of 1973 and mid-1974, in buying in its 5¼ per cent. convertible, and now it is issuing £21m. of 10 per cent. convertible. Of course, it is no longer possible to sell properties on a yield of, say, 5 per cent., and buy in a convertible standing at a massive discount to a high asset value. But Land Securities, like the five other property companies with rights issues, still has to explain why it is not raising the money by property sales.

Indeed, the group has been and is a major seller of property—disposing of £9.85m. net of tax in 1974-75 and a total of a further £80m., before tax, on which terms have been agreed. As Lord Samuel said at yesterday's annual meeting, all the borrowings on the properties being sold can be switched to other parts of the portfolio. So even after an unquantified capital gains liability, there should be plenty of cash left *over to finance the development* and "revitalisation" programme with capital commitments now down to £61m. The sales programme is continuing.

Moreover, the proceeds of the issue are chicken feed compared with total debt, including convertibles, of £463m. (of which £72m. is repayable within five years) and net worth of £434m. The group apparently takes a "belt and braces" view—wanting to make itself absolutely impregnable, if it was not before, to any further deterioration in the property and financial background. The issue will be used to repay an unsecured bank loan due in 1978, and there is a negligible dilution in net worth. However, the market remained both unimpressed and puzzled, and the shares fell by 13p to 148p—which is equivalent to £19.3m. off the capitalisation.

## Plessey

Plessey's pre-tax profits for the three months to the end of June are £2.43m. down at £10.18m., but the quarterly pattern has been complicated by the change in the year end. A clearer guide to the underlying trend is the virtually unchanged sales total compared with the three months to the




end of March and the small increase in profits. Both the U.S. semi-conductor and Garrard record changer divisions again had poor quarters, and a continuing improvement in their order intakes is unlikely to affect profits until later in the year.

Overall, there is nothing in the statement either to undermine the firmer share price trend of the last month or to alter earlier external estimates of pre-tax profits of around £40m. for 1975-76—especially as last year's accounts, published this week, revealed provisions before tax of £4.18m., apparently mainly against fixed price contracts.

See also Page 19

## Maple Macowards

Maple Macowards hit a new 1975 low of 10p on Wednesday, and the preliminary figures confirm the extent to which the group's future rests on its ability to dispose of its Tottenham Court Road development. A year ago, this property was said to be worth £25m. on completion, then scheduled for late 1975. Now it is put at £17.6m.—less projected completion costs of £4m. Write-down and tax provisions here largely explain a £9.3m. fall to £11.1m. in shareholders' funds during the year to February: even so, this as yet unlet development still represents over half the group's fixed assets.

Following the write-downs, the security for a £15m. loan facility has been extended to cover all group assets, and the interest rate has gone up: this facility was arranged by a Morgan Grenfell syndicate at the peak of the property boom in late 1973. About the same time, the group lent £1m. of second mortgage money to Guardian Properties. This was included last year under "cash on deposit": it has now been written down by £¾m. It is already hard to remember the circumstances in which a medium sized retailer could get involved in this kind of business—which has left Jessel stuck with its holding of about a third in a group now capitalised at just £2¾m.

See also Page 19

## Inchcape

Down from £30.1m. to £28.1m. before tax, Inchcape's 1974-75 profits only just fulfil January's forecast of a "not dissimilar" outcome, *and they take in a* second half setback of no less than 35 per cent. But the group statement reads surprisingly bullishly—most trading areas are "now beginning to recover"—and the indications are that Inchcape may yet more or less hold its own this year.

Clearly some of last year's upsets are not going to recur this time around. The lossmaker in Australia has been chopped and American Marine is no more (these two accounted for £4m. of the £5m. provisions below the line). But the motor trade in South East Asia remains in the doldrums, and Inchcape's general commodity background still accounts for over half its total profits. The Middle East—28 per cent. of after tax profits and just 6 per cent. of group capital employed—is apparently booming, and Inchcape can claim any number of earnings cushions in its wide operational spread. And North America, which pushed up its losses at the net level to £1.3m. in 1974-75, is now recovering.

Overdraft costs of £11m. last year point to a substantial rise in short-term borrowings, and year-end stocks are 28 per cent. higher at £130m. But a yield of 3.1 per cent. is covered more than four times.

See also Page 19

# Weather

### U.K. TO-DAY

SUNNY spells, becoming cloudy with some rain in places.

**London, S.E., S.W. and Cent. S. England, E. Anglia, Midlands, Channel Is.**
Dry, sunny intervals. Wind W., light or moderate. Max. 19C (66F).

**Wales, N.W. England, Lakes**
Sunny spells, some rain later. Wind W. or S.W., light or moderate. Max. 17C (63F).

**E., N.E. and Cent. N. England**
Mainly dry, sunny spells. Wind W., moderate or light. Max. 20C (68F).

**I. of Man, S.W. Scotland, Argyll, N. Ireland**
Sunny spells, some rain later. Wind W., light or moderate. Max. 18C (64F).

**Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Moray Firth, Cent. Highlands**
Mainly dry, sunny intervals. Wind W., moderate or fresh. Max. 19C (66F).

**N.W. Scotland**
Sunny spells, some rain later. Wind W., light or moderate. Max. 15C (59F).

**N.E. Scotland, Orkney, Shetland**
Sunny spells, showers at first. Wind W., fresh or moderate. Max. 13C (55F).

Outlook: Mainly dry in S., some rain in N.

Lighting-up: London 21.30, Manchester 21.48, Glasgow 22.09, Belfast 22.09.

### BUSINESS CENTRES

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Amstrdm. | C | 17 | 63 | Luxembg. | C | 16 | 61 |
| Athens | F | 32 | 90 | Madrid | S | 33 | 91 |
| Bahrain | S | 37 | 99 | Manchstr. | R | 13 | 55 |
| Barcelona | S | 28 | 82 | Melbourne | S | 14 | 57 |
| Beirut | S | 29 | 84 | Milan | S | 30 | 86 |
| Belfast | C | 14 | 57 | Montreal | C | 26 | 79 |
| Belgrade | S | 30 | 86 | Moscow | F | 23 | 73 |
| Berlin | C | 17 | 63 | Munich | R | 19 | 66 |
| Birmghm. | F | 17 | 63 | Newcastle | C | 15 | 59 |
| Bristol | C | 16 | 61 | New York | C | 29 | 84 |
| Brussels | F | 19 | 66 | Oslo | F | 19 | 66 |
| Budapest | S | 27 | 81 | Paris | F | 21 | 70 |
| B. Aires | C | 7 | 45 | Perth | S | 19 | 66 |
| Cairo | S | 37 | 97 | Prague | C | 21 | 70 |
| Cardiff | C | 16 | 61 | Reykjavik | F | 12 | 54 |
| Cologne | F | 22 | 72 | Rio de J'o | S | 23 | 73 |
| Copnhagn. | C | 17 | 63 | Rome | S | 28 | 82 |
| Dublin | C | 13 | 55 | Singapore | S | 29 | 84 |
| Edinb'gh | F | 16 | 61 | Stockholm | R | 19 | 66 |
| Frankfurt | S | 21 | 70 | Strasb'g | C | 20 | 68 |
| Geneva | F | 23 | 73 | Sydney | S | 19 | 66 |
| Glasgow | C | 14 | 57 | Tel Aviv | S | 29 | 84 |
| Helsinki | C | 20 | 68 | Tokyo | S | 30 | 86 |
| H. Kong | S | 29 | 84 | Toronto | S | 23 | 73 |
| Jo'burg | S | 14 | 57 | Vienna | S | 29 | 84 |
| Lisbon | S | 26 | 79 | Warsaw | S | 25 | 82 |
| London | C | 19 | 66 | Zurich | C | 18 | 64 |

### HOLIDAY RESORTS

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 27 | 81 | Jersey | C | 17 | 63 |
| Algiers | S | 31 | 88 | Las Plms. | F | 25 | 77 |
| Biarritz | F | 23 | 73 | Locarno | C | 22 | 72 |
| Blackpool | F | 15 | 59 | Majorca | S | 28 | 82 |
| Bordeaux | C | 21 | 70 | Malaga | S | 27 | 81 |
| Boulogne | S | 16 | 61 | Malta | S | 33 | 91 |
| Casablnca. | F | 22 | 72 | Nairobi | S | 22 | 72 |
| Cape Town | S | 18 | 64 | Naples | S | 28 | 82 |
| Corfu | S | 30 | 86 | Nassau | S | 30 | 86 |
| Dubrovnik | S | 27 | 81 | Nice | S | 26 | 79 |
| Faro | S | 24 | 75 | Nicosia | S | 30 | 86 |
| Florence | F | 29 | 84 | Oporto | S | 20 | 68 |
| Funchal | S | 23 | 73 | Rhodes | S | 30 | 86 |
| Gibraltar | S | 28 | 82 | Salzburg | T | 25 | 77 |
| Guernsey | S | 17 | 63 | Tangier | S | 24 | 75 |
| Innsbruck | F | 25 | 77 | Tenerife | S | 29 | 84 |
| Inverness | C | 13 | 55 | Tunis | S | 33 | 91 |
| I. of Man | C | 14 | 57 | Valencia | S | 30 | 86 |
| Istanbul | S | 30 | 86 | Venice | S | 28 | 82 |

S—Sunny. F—Fair. C—Cloudy. R—Rain. T—Thunderstorm.

# Varley to give motor-cycle decision before August 8

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

MR. ERIC VARLEY, Industry Secretary, is to announce the *Cabinet's decision on the future* of the hard-presed motor cycle industry before the Commons summer recess on August 8.

But this will be too late for Norton Villiers Triumph to avoid putting 3,000 workers at its Birmingham and Wolverhampton factories onto a three day week, primarily because of high stocks in the U.S., where there are 6,500 unsold machines.

Short time is inevitable because the cash flow is such that supplies are not now arriving in sufficient volume to support a five-day-week. It begins on August 11, with Monday-Wednesday as working days.

Mr. Denis Poore, NVT chairman, pointed out at the annual meeting yesterday that abrupt *withdrawal by the Government of* £4m. for export credits, with only a few days warning, had caused the company to defer payment for committed supplies.

Management and unions have been demanding further heavy investment in the motor cycle industry to enable it to withstand the Japanese challenge and to secure at least 10,000 jobs. The unions want full nationalisation.

Union representatives from NVT and the Confederation of Shipbuilding and Engineering Unions were clearly disappointed by yesterday's meeting. They had asked the Minister, in the absence of any decision to grant large-scale aid to the industry, to create a "holding situation" said Mr. John Foster, AUEW national organiser. This might involve about £8m., he said.

The unions also claimed that the Boston Consulting Group's report on the company had not looked deeply enough as possible alternative markets outside the U.S. for British motor cycles.

There was a hint that NVT workers might be willing to accept a three day week, but they warned again about contingency plans to occupy the factories if the Government refused to help.

Mr. Varley gave news of the forthcoming Cabinet announcement when he met all sections of the industry yesterday, including the managements of NVT, the Meriden Motor Cycle Cooperative, which operates the third major factory in the industry, and the Confederation of Shipbuilding and Engineering Union national officers.

Earlier these representatives had received copies of the consultants' report commissioned by the Department of Industry. This sets out various alternatives open to the Government and assesses their effect in terms of investment, employment, factory closures, exports and other relevant factors.

The CSEU representatives reminded Mr. Varley that when Mr. Wedgwood Benn was Industry Secretary he had written committing the Government to securing the future of the motor-cycle industry, but Mr. Varley refused to be drawn. He pointed out that since then the market for motor-cycles had changed radically.



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